



# **CITY OF SOUTH PORTLAND, MAINE**

## **Annual Comprehensive Financial Report**



**For Fiscal Year Ended June 30, 2021**

**CITY OF SOUTH PORTLAND, MAINE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For Fiscal Year Ended June 30, 2021**



Prepared By:  
City of South Portland  
Department of Finance

**CITY OF SOUTH PORTLAND, MAINE**

**Annual Comprehensive Financial Report**

**For the Fiscal Year Ended  
June 30, 2021**

**Prepared by:  
City of South Portland  
Finance Department**

**CITY OF SOUTH PORTLAND, MAINE**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2021**

---

**Table of Contents**

Page

**INTRODUCTORY SECTION**

Letter of Transmittal		1
GFOA Certificate of Achievement		7
Organizational Chart		9
List of Principal Officials (Elected and Appointed)		10

**FINANCIAL SECTION**

Independent Auditor’s Report		13
Management’s Discussion and Analysis		16

Statement

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	1	31
Statement of Activities	2	32

Fund Financial Statements:

Balance Sheet – Governmental Funds	3	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	4	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund and TIF Funds	6	36
Statements of Net Position – Proprietary Funds	7	37
Statements of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	8	38
Statements of Cash Flows – Proprietary Funds	9	39
Statement of Fiduciary Net Position – Fiduciary Funds	10	40
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	11	41

Notes to Basic Financial Statements		42
-------------------------------------	--	----

Required Supplementary Information:

Schedule of Changes in the City’s Total Health Plan OPEB Liability and Related Ratios		77
Schedule of Changes in the School Department’s Total Health Plan OPEB Liability and Related Ratios		78
Schedule of City’s Proportionate Share of the Net OPEB Liability		79
Schedule of City OPEB Contributions		79
Schedule of City’s Proportionate Share of the Net Pension Liability		80
Schedule of City Pension Contributions		81
Notes to Required Supplementary Information		82

**CITY OF SOUTH PORTLAND, MAINE**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2021**

---

	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules:		
General Fund:		
Comparative Balance Sheets	A-1	85
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	A-2	86
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Education	B	89
Reserves – General Fund:		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	C	90
TIF Funds:		
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	D	93
Capital Project Funds:		
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	E	97
All Other Governmental Funds:		
Combining Balance Sheet	F-1	101
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	102
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	G-1	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	106
Nonmajor Permanent Funds:		
Combining Balance Sheet	H-1	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	H-2	110
Proprietary Fund:		
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	I	113
	<u>Schedule</u>	
City Special Revenues:		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	1	117
School Grant Funds:		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	2	120
Private-purpose Trust Funds:		
Combining Schedule of Changes in Fiduciary Net Position	3	122

**CITY OF SOUTH PORTLAND, MAINE**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2021**

---

**STATISTICAL SECTION**

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	127
Changes in Net Position	2	128
Program Revenues by Function/Program	3	130
Fund Balances of Governmental Funds	4	131
Changes in Fund Balances of Governmental Funds	5	132
Governmental Activities Tax Revenues by Source	6	134
State Aid Revenues by Source	7	135
Assessed Value and Estimated Actual Value of Taxable Property	8	136
Direct and Overlapping Property Tax Rates	9	137
Principal Property Taxpayers	10	138
Total Property Tax Levies and Collections	11	139
Ratios of Net General Debt Outstanding	12	140
Direct and Overlapping Governmental Activities Debt	13	141
Legal Debt Margin Information	14	142
Principal Employers	15	143
Demographic and Economic Statistics	16	144
Full-time Employees by Function/Program	17	145
Operating Indicators by Function/Program	18	146
Capital Asset Statistics by Function	19	147

# INTRODUCTORY SECTION





*FINANCE DEPARTMENT*

ELLEN SANBORN  
Director of Finance

PARKER MADDEN  
Deputy Director of Finance

January 24, 2022

Honorable Deqa Dhelac, Mayor,  
Distinguished Members of the City Council,  
and Citizens of the City of South Portland, Maine

Maine state statutes and the South Portland City Charter require that the City issue annually a financial report audited in accordance with generally accepted auditing standards. Pursuant to these requirements, we hereby issue the annual comprehensive financial report of the City of South Portland, Maine, for the fiscal year ended June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Runyon Kersteen Ouellette, Certified Public Accountants, has issued an unmodified (“clean”) opinion on the City of South Portland, Maine’s financial statements for the year ended June 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The annual comprehensive financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is not audited, includes this transmittal letter, 2020 ACFR certificate of achievement, an organization chart, and a list of the City’s principal elected and appointed officials. The financial section includes management’s discussion and analysis of the City’s financial activities, the basic financial statements and the combining and individual fund financial statements and schedules, as well as the independent auditor’s report on the financial statements and schedules. The statistical section, which is not audited, includes selected financial and demographic information, generally presented on a multi-year basis.

The City is required to undergo an annual single audit in conformity with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The “Single Audit” is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of expenditures of federal awards, findings, recommendations, and the independent auditor’s reports on the internal control and compliance with applicable laws and regulations are included in a separately issued single audit report.

### ***Profile of the City of South Portland***

The City of South Portland is located on the southern coast of the State of Maine in the southeastern section of the County of Cumberland, the State’s most populous county. South Portland is the fourth largest city in Maine and the second largest in its region. The City currently occupies 12.93 square miles and serves a population of 25,532. Under Maine statutes, the City is empowered to levy a property tax on both real and personal property located within its boundaries.

The area of which the City is comprised was originally the northern part of the Town of Cape Elizabeth. Old Falmouth, incorporated in 1718, was formed of the area now encompassing the cities of Portland, South Portland and Westbrook and the towns of Cape Elizabeth and Falmouth. Due to the inconvenience of crossing the Fore River, Cape Elizabeth (then including the City) became established as the Second Parish of Falmouth in 1733, and on November 1, 1765 separated from Falmouth, being incorporated as the Town of Cape Elizabeth. On March 15, 1895, South Portland divided and set off the northern portion of Cape Elizabeth to become a town. A city charter was granted on March 22, 1898 and adopted on December 5, 1898 as the City of South Portland.

The City operates under the charter adopted on December 5, 1898, as amended, most recently in November of 1997, (the “Charter”) providing for a Council-Manager form of government. Policy making and legislative authority is vested in a seven-member City Council, all elected on a non-partisan basis. The Council is composed of seven members, one elected from each of the City’s five voting districts, and two members who are elected at-large. The Council members are elected for three-year staggered terms. The Charter grants to the City Council all powers to enact, amend, or repeal rules, ordinances and resolutions relating to the City’s property, affairs and government, to preserve the public peace, health and safety, to establish personnel policies and giving effect to any vote of the City and to authorize the issuance of debt subject to referendum approval by the voters of the City. Through its Charter, the Council adopts an annual budget, provides for an annual audit, appoints committees, and hires the City Manager and City Clerk.

The City Manager is the chief executive officer and the head of the administrative branch of the City government. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City’s departments. Under the City Charter, the City of South Portland’s Education Department is a department of the City with an elected School Board and an appointed

Superintendent of Schools. The City of South Portland provides a full range of services, including police, ambulance and fire protection; construction and maintenance of highways, streets, sidewalks, parks and other infrastructure; sewer service and wastewater treatment; solid waste collection; public education; health and social welfare; public transportation; recreational and cultural activities; general administration and economic development.

The annual budget serves as the foundation for the City of South Portland's financial planning and control. All departments of the City of South Portland, with the exception of the Education Department, are required to submit requests for appropriation to the City Manager in January of each year. The City Manager uses these requests as the starting point for developing a proposed municipal budget. The City Manager then combines the proposed municipal budget with the Board of Education appropriation request for the Education Department and presents the total proposed budget to the City Council for review in March of each year. The City Council holds a public hearing on the proposed budget in April, and holds budget review workshops with the individual departments and the Board of Education in the months of April and May. The budget must be finally adopted by no later than 90 days after July 1, the beginning of the fiscal year, but is typically adopted in June.

The appropriated budget is prepared by fund, function (e.g., public safety) and department (e.g., police). The City Manager may transfer appropriations within a department. Transfers between departments, however, need approval from the City Council. Budget to actual comparisons are provided in this report for the general fund. This comparison is presented on page 36 as part of the basic financial statements for the governmental funds.

### ***Relevant Financial Policies***

The City's fund balance policy established a minimum unassigned fund balance in the general fund of 9%. In the event that the unassigned fund balance drops below this minimum level, the City will develop a plan implemented through the annual budget process to bring the balance back to the target level over a period of no more than three fiscal years. According to the policy, funds in excess of 12% may, with the approval of the City Council be used for capital improvements or other one-time expenditures. For the year ended June 30, 2021, the amount of unassigned fund balance totaled \$16,133,999 or 16.58% of the fiscal year 2022 general fund budget, of which \$4,459,312 is available to be appropriated to future CIP budgets.

### ***Local Economy***

Once principally a residential community, South Portland now enjoys a diversified commercial and industrial aspect to its economy. The City has been referred to as two cities, with the eastern half of the city sporting residential neighborhoods, a traditional downtown district, a waterfront, and the second busiest oil port on the entire East Coast, and the western half of the city hosting commercial, industrial, and advanced technology property.

The eastern half of the City is home to many of the City's residential neighborhoods, a traditional downtown district with a diverse mix of retail stores, restaurants, residential housing and professional offices, an oil pipeline and storage tank farms, a municipal beach, a municipal boat ramp, numerous scenic parks, several marinas, two lighthouses, a maritime museum, and the State's largest community college.

The western half of the City is home to a regional mall that forms the hub of the largest shopping district in the State. Additionally, there are two world-class semiconductor factories and a number of major hotel chains. Major companies with headquarters or divisions located within the western half of the City include a semiconductor manufacturer, an international financial services company, and two insurance companies. The mall and surrounding businesses increase the population of the City from 25,532 to between 46,000 and 102,000 per day.

The City exhibits above average wealth and housing levels relative to the State of Maine as a whole. The property tax collection rate has been consistently high over the years, standing at 98.70% for fiscal year 2021. This City is also undergoing a full property revaluation that will go into effect in fiscal year 2022. The last full revaluation was done in 2006, with City-wide adjustments occurring in 2009 and 2010. The tax base for the City is balanced at 54% residential and 46% commercial with the largest taxpayer comprising roughly 6% of the total tax base. The ten largest taxpayers represent 19.4%. The City also has 12.3% of its tax base represented as non-taxable.

### ***Long-term Financial Planning***

Capital expenditures are one of the most significant costs for a community, which includes maintaining its infrastructure. The City, as required by City Charter, maintains a 7 year Capital Improvement Program (CIP), which is updated and reviewed annually by the City Council. This Program considers future needs for maintenance and replacement of capital equipment, roads, sidewalks, sewer infrastructure, vehicles and City buildings. Funding for the CIP is through a combination of available General Fund fund balance, grants, and financing. The Program allows for the City to plan for and make informed decisions about large expenditures.

### ***Major Initiatives***

The City Council approved several major projects during fiscal year 2021. The Water Resources Department will be working on the first phase of the Meetinghouse Hill Utility Project to improve storm water drainage as well as a large scale sewer lining project. The City is conducting a long term facilities plan for Mahoney and other City buildings. The fire department will be purchasing a state of the art ladder truck and the City's bus system is in the process of updating its bus fleet with three buses being purchased over the new few years. Finally, the School Department has started construction of the new \$67 million Middle School which received state funding and voter approval in November of 2019.

### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Portland, Maine for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the fourteenth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department staff. Each member of the department has a key role in the preparation of this reports, and in particular Deputy Finance Director Parker Madden who created this document. Appreciation is also extended to the accounting firm of Runyon Kersteen Ouellette for its assistance in the preparation and review of this report. Finally, credit must be given to the South Portland City Council and City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

*Ellen Sanborn*

Ellen Sanborn  
Director of Finance

*This page intentionally left blank.*



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of South Portland  
Maine**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

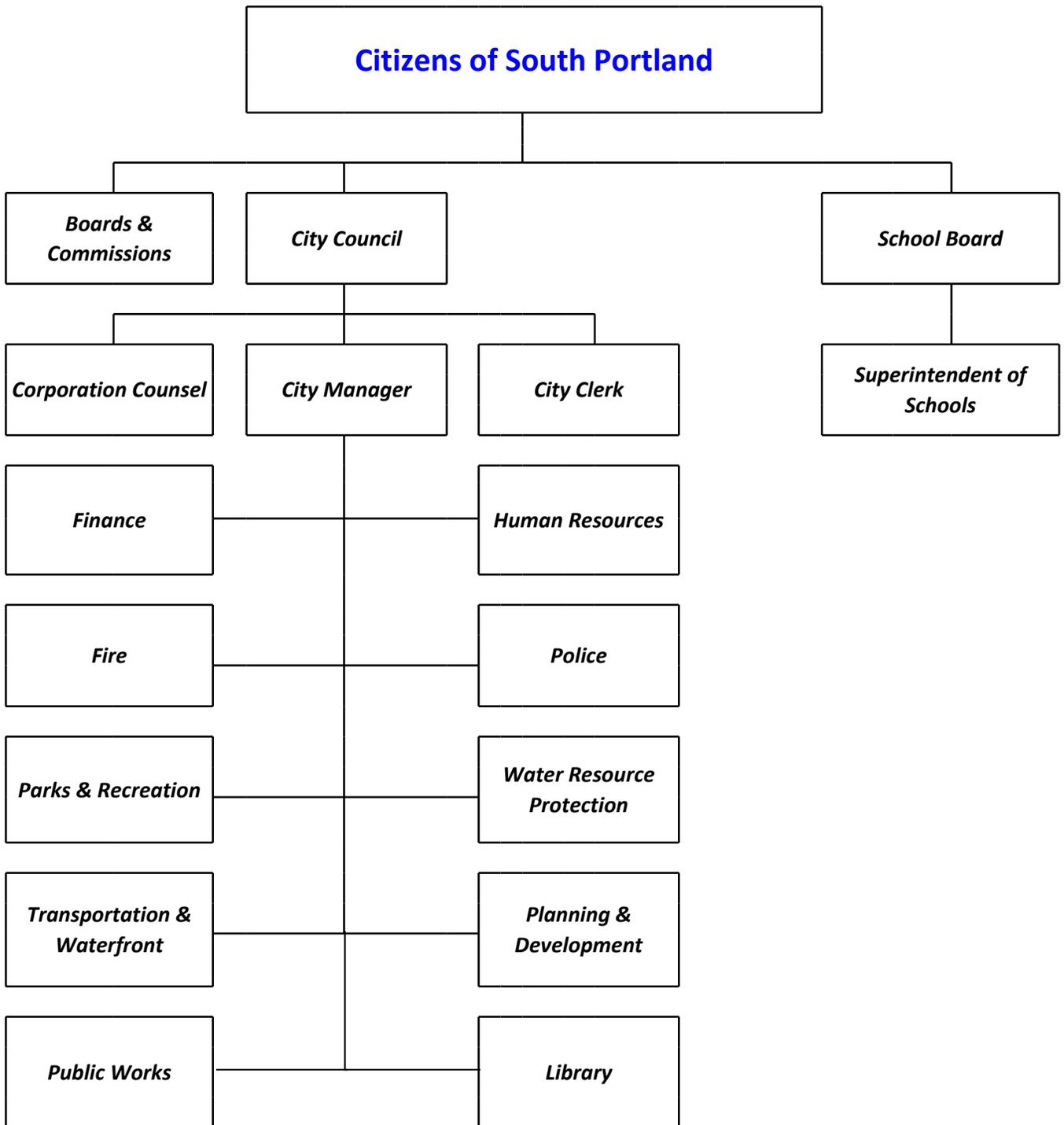
*Christopher P. Morill*

Executive Director/CEO

*This page intentionally left blank.*

CITY OF SOUTH PORTLAND, MAINE

Organizational Chart



**CITY OF SOUTH PORTLAND, MAINE**

**LIST OF PRINCIPAL OFFICIALS (ELECTED AND APPOINTED)**

**June 30, 2021**

---

Elected Officials

Council Member – District 1	Jocelyn E. Leighton
Council Member – District 2	Katherine W. Lewis
Council Member – District 3 – Mayor	Misha C. Pride
Council Member – District 4	April L. Caricchio
Council Member – District 5	Deqa A. Dhalac
Council Member – At Large	Susan J. Henderson
Council Member – At Large	Katelyn Bruzgo

Board of Education – District 1	Jennifer Kirk
Board of Education – District 2	Michael Faulkingham
Board of Education – District 3, Chair	Richard Matthews
Board of Education – District 4	Matthew Perkins
Board of Education – District 5	Elyse Tipton
Board of Education – At Large	Jennifer Ryan
Board of Education – At Large	Mary House

Appointed Officials

City Manager	Scott T. Morelli
Assistant City Manager	Joshua J. Reny
City Clerk	Emily F. Scully
Code Enforcement Officer	Barbara Skelton
Economic Development Director	William J. Mann
Director of Finance	Greg L'Heureux
Fire Chief	James P. Wilson
Human Resource Director	Stephanie Weaver
Library Director	Kevin Davis
Parks and Recreation Director	Karl Coughlin
Public Works Director	Douglas R. Howard
Planning & Development Director	Milan Nevajda
Police Chief	Amy Berry, Acting
Superintendent of Schools	Ken Kunin
Transportation & Waterfront Director	Donna Tippet
Water Resource Protection Director	Brad Weeks

# FINANCIAL SECTION



*This page intentionally left blank.*

## Independent Auditor's Report

City Council  
City of South Portland, Maine

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Portland, Maine as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of South Portland, Maine's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Portland, Maine, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the TIF Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules pertaining to the net pension and OPEB liabilities, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Portland, Maine's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

City Council  
City of South Portland, Maine

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2022, on our consideration of the City of South Portland, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of South Portland, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of South Portland, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Ryan Hudson Ouellette". The signature is written in a cursive style with a large initial 'R'.

January 24, 2022  
South Portland, Maine

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2021**

---

This section of the Annual Comprehensive Financial Report of the City of South Portland presents a narrative overview and analysis of the financial activities of the City of South Portland for the fiscal year ended June 30, 2021. We encourage readers to use the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements, and the accompanying notes to those financial statements.

**Financial Highlights**

- The COVID pandemic has continued to impact the City's operations including putting a large strain on the City's public safety departments. In response to this, the City has secured federal and state grant funding to help offset the increased costs of operating public safety departments during the pandemic. The City has also secured significant pandemic related grant funding for the School Department as well as the public bus service to ensure that citizen needs continue to be met.
- The School Department has broken ground on construction of a new consolidated middle school. The project was given State Department of Education participating approval for \$59,269,073, with local participating of \$8,307,096 and additional local of \$1,692,904. A bond anticipation note was issued shortly after year end and long-term bonding is expected to be issued in the spring of 2022.
- The assets and deferred outflows of resources of the City of South Portland exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$185,634,545 (*net position*). Of this amount, \$15,871,088 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of South Portland's governmental activities reported ending net position of \$121,005,535, an increase of \$10,483,143 in comparison with the prior year of \$110,522,392. Approximately 3.6% of this total amount, \$5,806,948, is *available for spending* at the City's discretion (unrestricted net position).
- As of June 30, 2021, the unassigned fund balance was \$16,133,999 or 16.58% of the City's FY 2022, budget (\$97,289,056).
- The City's total bonds and notes increased by \$4,173,488 during the current fiscal year as a result of issuing new bonds for City and School construction projects exceeding repayments on existing bonds.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of South Portland's basic financial statements. The City of South Portland's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

---

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of South Portland's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of South Portland's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of South Portland is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of South Portland that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of South Portland include general government, public safety, public works, culture and recreation, transportation and waterfront, health, welfare and social services, and education. The business-type activities of the City of South Portland include water resource protection (sewage treatment) activities. The government-wide financial statements can be found on pages 31-32 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of South Portland, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of South Portland can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

---

The City of South Portland maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, TIF fund, and capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of South Portland adopts an annual appropriated budget for its general fund and TIF funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their budgets. The basic governmental fund financial statements can be found on pages 33-34 of this report.

**Proprietary funds.** The City of South Portland maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of South Portland uses an enterprise fund to account for its sewer user fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the individual enterprise fund, which is considered to be a major fund of the City of South Portland.

The City of South Portland adopts an annual appropriated budget for its enterprise fund. Schedules of revenues, expenses, and changes in net position on the budgetary basis of accounting have been provided for the enterprise fund to demonstrate compliance with this budget. The basic proprietary fund financial statements can be found on pages 37-39 of this report. The budgetary basis schedule demonstrating compliance can be found on page 113 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of South Portland's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 40-41 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-76 of this report.

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules can be found on pages 85-113 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of South Portland, assets and deferred outflows exceeded liabilities and deferred inflows by \$185,634,545 at the close of the most recent fiscal year.

**City of South Portland's Net Position**

	Governmental Activities		Business-type Activities		Total Activities	
	Restated		2021	2020	Restated	
	2021	2020			2021	2020
Current and other assets	\$ 59,638,507	\$ 56,986,941	\$ 11,026,093	\$ 11,917,174	\$ 70,664,600	\$ 68,904,115
Capital assets	149,326,985	136,015,881	57,345,239	56,362,563	206,672,224	192,378,444
Total assets	208,965,492	193,002,822	68,371,332	68,279,737	277,336,824	261,282,559
Deferred outflows	7,191,880	6,759,674	-	-	7,191,880	6,759,674
Long-term liabilities	80,308,902	74,221,357	3,073,432	3,303,871	83,382,334	77,525,228
Other liabilities	13,585,944	11,389,601	668,890	229,500	14,254,834	11,619,101
Total liabilities	93,894,846	85,610,958	3,742,322	3,533,371	97,637,168	89,144,329
Deferred inflows	1,256,991	3,629,146	-	-	1,256,991	3,629,146
Net investment						
in capital assets	99,288,948	88,649,566	54,564,870	53,385,092	153,853,818	142,034,658
Restricted	15,909,639	13,056,972	-	4,042,278	15,909,639	17,099,250
Unrestricted	5,806,948	8,815,854	10,064,140	7,318,996	15,871,088	16,134,850
Total net position	\$ 121,005,535	\$ 110,522,392	\$ 64,629,010	\$ 64,746,366	\$ 185,634,545	\$ 175,268,758

By far, the largest portion of the City of South Portland's net position (82.88% or \$153,853,818) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, net of depreciation); less any related debt used to acquire those assets that is still outstanding. The City of South Portland uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of South Portland's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

An additional portion of the City of South Portland's net position (8.57% or \$15,909,639) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (8.55% or \$15,871,088) may be used to meet the City's on-going obligation to citizens and creditors. At the end of the current fiscal year, the City of South Portland is able to report a positive balance in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's total net position increased by \$10,365,787 during the current fiscal year. This increase is attributable to a combination of actual revenues being in excess of estimates and management's efforts to control and reduce budgeted expenditures.

**City of South Portland's Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Activities</u>	
	<u>2021</u>	<u>Restated 2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>Restated 2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 5,050,126	\$ 5,472,212	\$ 6,268,760	\$ 5,865,711	\$ 11,318,886	\$ 11,337,923
Operating grants and contributions	24,900,449	17,615,005	-	-	24,900,449	17,615,005
Capital grants and contributions	501,471	334,302	-	113,954	501,471	448,256
General revenues:						
Property and other taxes	79,382,019	76,799,778	-	-	79,382,019	76,799,778
Grants and contributions not restricted to specific programs	7,580,955	6,218,797	-	-	7,580,955	6,218,797
Other	710,746	3,590,167	57,836	78,622	768,582	3,668,789
Total revenues	<u>118,125,766</u>	<u>110,030,261</u>	<u>6,326,596</u>	<u>6,058,287</u>	<u>124,452,362</u>	<u>116,088,548</u>
Expenses:						
General government	15,648,947	16,587,038	-	-	15,648,947	16,587,038
Public safety	15,538,227	14,715,423	-	-	15,538,227	14,715,423
Public works	8,028,758	8,840,505	-	-	8,028,758	8,840,505
Culture and recreation	4,474,919	4,762,474	-	-	4,474,919	4,762,474
Transportation and waterfront	1,937,271	2,075,168	-	-	1,937,271	2,075,168
Health, wealth and social services	735,182	684,709	-	-	735,182	684,709
Interest on debt service	1,382,369	1,273,613	-	-	1,382,369	1,273,613
Education	59,776,812	55,696,453	-	-	59,776,812	55,696,453
Sewer	-	-	6,564,090	6,540,614	6,564,090	6,540,614
Total expenses	<u>107,522,485</u>	<u>104,635,383</u>	<u>6,564,090</u>	<u>6,540,614</u>	<u>114,086,575</u>	<u>111,175,997</u>
Increase (decrease) in net position before transfers	10,603,281	5,394,878	(237,494)	(482,327)	10,365,787	4,912,551
Transfers	(120,138)	(420,540)	120,138	420,540	-	-
Increase (decrease) in net position	<u>10,483,143</u>	<u>4,974,338</u>	<u>(117,356)</u>	<u>(61,787)</u>	<u>10,365,787</u>	<u>4,912,551</u>
Net position - beginning of year	110,522,392	105,548,054	64,746,366	64,808,153	175,268,758	170,356,207
Net position - end of year	<u>\$ 121,005,535</u>	<u>\$ 110,522,392</u>	<u>\$ 64,629,010</u>	<u>\$ 64,746,366</u>	<u>\$ 185,634,545</u>	<u>\$ 175,268,758</u>

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

---

**Governmental activities.** During this past fiscal year, governmental activities saw an increase in the City of South Portland's net position of \$10,483,143. This amount represented an increase in the net position of 9.49%. Key elements of this increase are as follows:

- Operating grants and contributions increased by \$7,285,444 (41.36%). This was primarily due to increased federal and state grant funding in response to the COVID-19 pandemic.
- Property and other taxes increased by \$2,582,241 (3.36%). This was primarily due to an increase in taxes to support the School and City budgets as well as increased motor vehicle excise tax collection.
- The amounts above were offset by a sharp decrease in investment income from the prior year (\$2,299,715), which was the result of decreased unrealized gains on fixed income investments.

**Business-type activities.** The City's business-type activities, which consists of sewer user operations, net position decreased by \$117,356.

In fiscal year 2021, the operating loss improved from (\$647,783) in 2020 to (\$270,558) in 2021. This was attributable to increased revenue which was driven by user rate increases in 2021. Operating expenses increased slightly over the prior year with the major driver being an increase in depreciation. This increase is caused by new assets being capitalized in fiscal year 2021. Non-operating revenues decreased in the current year by \$18,438. This was caused by a large decrease in interest revenue as rates continued to drop to near zero on short-term fixed income investments. Finally, the total transfers and contributions decreased by \$414,356. This was caused by less interfund transfers and the fact that in 2020 the fund received a onetime capital contribution of \$113,954. These factors combined to produce the overall decrease in net position of \$117,356.

#### **Financial Analysis of the Government's Funds**

As noted earlier, the City of South Portland uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The financial reporting focus of the City of South Portland's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the City of South Portland's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of South Portland's governmental funds reported combined ending fund balances of \$45,978,849, an increase of \$535,760. This was driven by increases in the General Fund (\$4,817,282) and the TIF Fund (\$1,047,135) offset by decreases in the Capital Projects Fund (\$4,349,634) and the Non-major Governmental Funds (\$979,023).

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

---

**General Fund** - The general fund is the central operating fund of the City of South Portland. At the end of the current fiscal year, the total fund balance of the general fund was \$30,917,525. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. General fund fund balance represents 32.25% of total general fund expenditures (\$95,865,786). Under the breakdown of fund balance, unspent appropriations related to education are reported as restricted. At June 30, 2021, general fund restricted balance for education totaled \$4,930,223. Additionally, the City maintains various reserve and encumbrance balances for various future needs. These balances are reported as either committed or assigned and in total decreased by \$888,505 during the year, primarily due to a large land purchase that utilized \$994,021 of committed fund balance from the Municipal buildings and land acquisition reserve.

The City has an established General Fund fund balance policy which was established to help ensure the future financial stability of the City and to mitigate financial risk that can occur from unforeseen revenue fluctuations or unanticipated expenditures. The City's fund balance policy, which is based on the unassigned fund balance component of fund balance, establishes a minimum unassigned fund balance of 9% of the City's general fund budget. As of June 30, 2021, the unassigned fund balance was \$16,133,999 or 16.58% of the City's FY 2022, budget (\$97,289,056). Additionally, amounts in excess of 12% of the City's general fund budget can be used for capital improvements or other one-time expenditures as identified by the City Council. At the end of FY 2021, the City had \$4,459,312 that was available for this purpose in unassigned fund balance.

In periods of economic decline where valuation assessments are flat or decreasing, and/or periods of significant estimated revenue loss or periods of high increases in budgeted expenditures, the City Council may set aside funds in the Tax Rate Stabilization Reserve to be used to reduce the needs from taxation for the coming year(s). Due to stronger than expected revenues in the FY 2021, the City was able to contribute \$225,000 to the reserve.

The total fund balance of the City of South Portland's general fund increased by \$4,817,282 during the current fiscal year. Key factors in this change are as follows:

- Total actual revenues collected were \$3,415,159 higher than in FY 2021. Primary drivers of this increased revenue include \$1,952,749 of higher property tax revenue as well as \$917,035 of increased excise tax revenue. The general fund experienced an \$851,725 increase in intergovernmental revenue which was caused by an increase State revenue sharing formula. Additionally, the general fund experienced a \$190,578 increase in charges for service. This was caused by increased rental revenue (\$84,821) of City owned property as well as an increase in revenue for the City's ambulance service (\$228,953).
- Total actual expenditures remained relatively flat between FY 2021 and FY 2020 with a small increase of \$353,695 or 0.04%. The small increase in year over year expenditures was the result of savings from tight budget practices that were employed throughout the pandemic. Additionally, public works spent \$143,797 less than they did in the prior year due to savings from a light winter in FY 2021. Finally, the City's insurance and benefits costs decreased \$293,245 from savings in health insurance as well as reduced sick and vacation payouts from employee departures.
- As part of the City's 2021-22 capital improvement budget, the City was able to utilize American Rescue Plan Grants to provide the necessary funding for future capital projects that would otherwise have been represented in assigned fund balance at year end.

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

---

**TIF** - The TIF (Tax Increment Financing) fund includes all of the activity in the City's ten tax increment financing districts. At the end of the current fiscal year, the total fund balance of the TIF fund was \$8,516,956, all of which must be used for eligible projects as defined by Maine State Law. TIF funds are typically used to fund credit enhancement agreements with developers and also to fund capital improvement projects in and around the TIF districts. In FY 2021, the total TIF fund balance increased by \$1,047,135. This was driven by a significant decrease (\$741,617) in transfers out of TIF districts to support future capital projects.

**Capital Projects** - The capital projects fund has a total fund balance of \$1,233,338. During the year, the fund balance decreased by \$4,349,634, which was primarily the result of construction costs for the new Middle School project which has a deficit \$5,262,859 and will be financed with bond proceeds in future periods.

**Proprietary funds.** The City of South Portland's proprietary fund, which consists of the sewer user fund, provides the same type of information found in the government-wide financial statements, but in a more detail budgetary basis.

Unrestricted net position of the sewer user fund at the end of the year amounted to \$10,064,140, an increase of \$2,745,144. As part of its budgetary process, annual appropriations are made to the reserves and are available to fund future improvements. On a budgetary basis, the sewer fund reported a surplus of \$376,972, of which revenues came in \$104,638 less than anticipated while expenditures came in \$479,545 under budget.

### **Budgetary Highlights**

#### **General Fund:**

Revenue for the general fund totaled \$95,753,183 (on the budgetary basis of accounting) in the fiscal year ended June 30, 2021. Actual revenues exceeded estimates by \$4,119,930. The revenue sources responsible for this surplus include the following:

- A surplus in taxes was attributable to excise taxes coming in \$1,027,730 higher than anticipated. This was caused by much stronger than anticipated consumer spending on new vehicles during the pandemic. Additionally, property taxes came in \$1,114,376 higher than anticipated primarily due to a \$706,398 redemption of tax acquired property.
- Intergovernmental revenues had a surplus of \$554,789. This was the result of changes state revenue sharing after the final budget was passed.
- Licenses, permits, fees and fines came in \$505,259 above the budgeted amount. This was driven by high demand for residential construction during the pandemic.
- The City's unclassified revenue category came in \$323,350 above the budgeted amount due to a sale of City land that generated \$284,701 in unanticipated revenue.

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

---

Expenditures for the general fund totaled \$88,726,499 (on the budgetary basis of accounting) in the fiscal year ended June 30, 2021. The general fund expenditures came in \$5,407,460 under what was budgeted.

The following areas had expenditure surpluses attributable to management efforts to control budgeted expenditures:

- Citywide insurance and benefit costs came in \$456,867 under budget. This was caused by health insurance increases being less than management anticipated when the budget was prepared.
- Streets and sidewalks came in \$349,172 under budget. The primary reason for this was that winter 2021 was very light for the City and resulted in less plowing related expenditures.
- Public safety came in \$570,606 under budget. This was caused by less than anticipated equipment purchases, supply costs, and building maintenance expenses. The pandemic caused many of these areas to come in under budget as the public safety staff was focused on addressing the pandemic.
- Parks and recreation came in \$343,883 under budget. This was caused by reduced program offerings during the pandemic as well as unfilled positions.
- The City's bus service was \$244,918 under budget, due to an overall reduction in service that was caused by the pandemic.
- Education also reduced spending significantly and had a surplus of \$2,951,010.

A detailed budget presentation can be found on Exhibit A-2 of these financial statements.

**Capital Asset and Debt Administration**

**Capital assets.** The City of South Portland's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$206,672,224 (net of accumulated depreciation). This investment in capital assets includes land, buildings, sewer system, improvements, machinery and equipment, vehicles, park facilities, roads, highways and dams. The total increase in the City of South Portland's investment in capital assets for the current fiscal year was 7.43% (a 9.79% increase for governmental activities and a 1.74% increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Completion of the construction of the Cash Corner Fire Station (\$6.1 Million).
- Purchase of a large track of undeveloped land known as the Piggery (\$1.5 Million).
- Initial stages of construction phases of the consolidated middle school as well as a transportation bus garage (\$5.9 Million).
- A large scale HVAC and ventilation system upgrade across many of the school departments buildings (\$1.6 Million).
- A redesign of Westbrook Street through the Redbank neighborhood (\$1.9 Million).

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

---

Additional information on the City of South Portland's capital assets can be found in the notes to the financial statements on pages 51-52 of this report.

**Long-term debt.** The State allows municipalities to borrow up to 15% of their total valuation. With the City's State Valuation at \$4,866,700,000 for 2021, the debt limit would be over \$730 million. Our current debt is \$48,049,903 or about 1.00% of State Valuation or approximately 6.69% of the City's debt limit. Another measure of a municipality's debt load is debt per capita. As of June 30, 2021, the City of South Portland's debt per capita (including lease obligations and debt premium) was \$2,125 as compared to the prior year of \$1,980. In FY 2021, the City issued \$7.95 million in new bonds to finance a new fire station, public safety building improvements, initial construction of the middle school, as well as pedestrian improvement projects.

The City of South Portland maintains an "Aaa" rating from Moody's and an "AAA" rating from Standard & Poor's for general obligation debt. Please refer to the agencies' reports for a comprehensive explanation of their rating assessment.

Additional information on the City of South Portland's long-term debt can be found in the notes to the financial statements on pages 53-55 of this report.

**Economic Factors and Next Year's Budgets and Rates**

South Portland continues to be the retail center for Northern New England with a diverse economic base that includes a regional mall, numerous large insurance and financial service companies, two semi-conductor manufacturing plants, hotels and restaurants, and petroleum distribution facilities. Development has continued with strong building permit activity for each of the past few fiscal years.

In adopting the budget for the ensuing fiscal year 2022, the City officials considered many factors in making judgments and estimates about the finances of the upcoming year. A primary objective was to continue to provide basic City services to the citizens while attempting to keep the property tax rate low.

The City finished a full property tax valuation at the end of fiscal year 2021 with the changes to occur for taxes assessed April 1, 2021 (FY 2022). While overall tax revenues will not be greatly affected by the revaluation, a portion of the tax burden will be shifting from commercial property owners to residential property owners due to the escalating residential property values that we have been experiencing over the past few years. In preparation of the FY 2022 budget, management has taken great care to reduce this increased burden as much as possible.

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

---

During the upcoming fiscal year (2022), the City's management will continue to monitor and evaluate local economic conditions. In the forefront of our revenue and expenditure concerns are:

Revenue Projections:

- The City was cautiously optimistic with revenue projections for fiscal year 2022. We have increased projections for programs such as recreation and bus service over amounts for fiscal year 2021 however we did not fully return them to pre-pandemic levels.
- The City continues to promote economic development and has experienced strong building permits in the past few years. Monitoring and maintain conservative estimates going forward.

Property Values and Business Development:

- The regional economy has seen fairly strong growth in property values. Vacancy rates in the mall area appear to be challenged and the City has been working with businesses to assist in business development.
- Housing prices for coastal properties is especially strong. Available rental housing stock is limited with rates rising significantly.
- A strong increase in overall taxable value resulted from several development projects.

Health Insurance and Other Costs:

- The cost of health insurance continues to rise. The City is actively taking steps to improve the City's health insurance experience rating. This has allowed the City rate increases to be modest as compared to many other communities and businesses. The City feels that by having a healthier workforce its long-term cost for both health and worker's compensation insurance will be reduced. The City recently received notice that the increase for the coming year will be 5% increase.
- The employer cost for funding the City's defined benefit retirement plan has increased steadily each of the past several years.
- The costs of maintaining our facilities, vehicles, and infrastructure including expanding paving streets.

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

---

The fiscal year 2022 budget was approved in July 2021 with a \$2,355,133 (2.48%) increase in the overall general fund expenditure budget. Due to changes in various revenues including increased taxable valuation, the impact to property taxes was a decrease of \$504,092 (0.73%). Due to the revaluation process, the tax rate decreased from \$19.75 in FY 2021 to \$14.70.

**Requests for Information**

This financial report is designed to provide a general overview of the City of South Portland's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of South Portland, Maine, 25 Cottage Road, South Portland, Maine 04106.

*This page intentionally left blank.*

## **BASIC FINANCIAL STATEMENTS**

*This page intentionally left blank.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Net Position**  
**June 30, 2021**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,424,612	10,481,955	27,906,567
Investments	36,756,919	-	36,756,919
Receivables, net of allow. of \$1,452,838 and \$42,991	4,453,386	544,138	4,997,524
Taxes receivable	689,677	-	689,677
Tax liens and tax acquired property	187,597	-	187,597
Inventory	46,316	-	46,316
Loans receivable	30,000	-	30,000
Restricted assets, cash	50,000	-	50,000
Capital assets, not being depreciated	20,285,618	4,508,437	24,794,055
Capital assets, net of accumulated depreciation	129,041,367	52,836,802	181,878,169
Total assets	208,965,492	68,371,332	277,336,824
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	4,214,715	-	4,214,715
Deferred outflows of resources related to OPEB	1,904,683	-	1,904,683
Deferred charge on refunding	1,072,482	-	1,072,482
Total deferred outflows of resources	7,191,880	-	7,191,880
<b>LIABILITIES</b>			
Accounts payable	5,899,080	638,227	6,537,307
Accrued liabilities	1,888,597	19,796	1,908,393
Accrued interest	584,286	10,867	595,153
Accrued teachers' summer salaries	5,213,981	-	5,213,981
Non-current liabilities:			
Due within one year	6,700,018	320,047	7,020,065
Due in more than one year	73,608,884	2,753,385	76,362,269
Total liabilities	93,894,846	3,742,322	97,637,168
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	91,056	-	91,056
Deferred inflows of resources related to OPEB	1,165,935	-	1,165,935
Total deferred inflows of resources	1,256,991	-	1,256,991
<b>NET POSITION</b>			
Net investment in capital assets	99,288,948	54,564,870	153,853,818
Restricted for:			
Permanent Funds - Nonexpendable principal	193,519	-	193,519
Permanent Funds - Expendable	171,643	-	171,643
Education	4,930,223	-	4,930,223
Other grants	2,097,298	-	2,097,298
Tax Increment Financing	8,516,956	-	8,516,956
Unrestricted	5,806,948	10,064,140	15,871,088
<b>Total net position</b>	<b>\$ 121,005,535</b>	<b>64,629,010</b>	<b>185,634,545</b>

*See accompanying notes to basic financial statements.*

CITY OF SOUTH PORTLAND, MAINE  
Statement of Activities  
For the year ended June 30, 2021

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 15,648,947	914,546	1,573,599	-	(13,160,802)	-	(13,160,802)
Public safety	15,538,227	2,536,995	950,090	93,801	(11,957,341)	-	(11,957,341)
Public works	8,028,758	332,688	-	407,670	(7,288,400)	-	(7,288,400)
Culture and recreation	4,474,919	922,346	24,374	-	(3,528,199)	-	(3,528,199)
Transportation and waterfront	1,937,271	166,254	951,632	-	(819,385)	-	(819,385)
Health, welfare and social services	735,182	-	407,832	-	(327,350)	-	(327,350)
Education	59,776,812	177,297	20,992,922	-	(38,606,593)	-	(38,606,593)
Interest on debt service	1,382,369	-	-	-	(1,382,369)	-	(1,382,369)
Total governmental activities	107,522,485	5,050,126	24,900,449	501,471	(77,070,439)	-	(77,070,439)
Business-type activities:							
Sewer	6,564,090	6,268,760	-	-	-	(295,330)	(295,330)
Total business-type activities	6,564,090	6,268,760	-	-	-	(295,330)	(295,330)
<b>Total primary government</b>	<b>\$ 114,086,575</b>	<b>11,318,886</b>	<b>24,900,449</b>	<b>501,471</b>	<b>(77,070,439)</b>	<b>(295,330)</b>	<b>(77,365,769)</b>
General revenues:							
Property taxes, levied for general purposes					72,217,939	-	72,217,939
Motor vehicle excise taxes					7,064,080	-	7,064,080
Cable television franchise					100,000	-	100,000
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					2,592,482	-	2,592,482
Homestead exemption					1,610,759	-	1,610,759
Other State aid					3,171,163	-	3,171,163
Unrestricted investment earnings					206,551	57,836	264,387
Miscellaneous					710,746	-	710,746
Transfers					(120,138)	120,138	-
Total general revenues and transfers					87,553,582	177,974	87,731,556
Change in net position					10,483,143	(117,356)	10,365,787
Net position - beginning, as restated					110,522,392	64,746,366	175,268,758
<b>Net position - ending</b>					<b>\$ 121,005,535</b>	<b>64,629,010</b>	<b>185,634,545</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	General	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,462,182	8,529,305	2,518,504	3,914,621	17,424,612
Investments	35,343,306	-	1,002,890	410,723	36,756,919
Due from other governments	1,725,937	-	-	2,287,507	4,013,444
Accounts receivable, net of allowance of \$1,452,838	359,557	-	-	80,385	439,942
Taxes receivable	689,677	-	-	-	689,677
Tax liens and tax acquired property	187,597	-	-	-	187,597
Interfund loans receivable	745,153	-	-	-	745,153
Loans receivable	-	-	-	30,000	30,000
Inventory	-	-	-	46,316	46,316
Restricted assets, cash	50,000	-	-	-	50,000
<b>Total assets</b>	<b>\$ 41,563,409</b>	<b>8,529,305</b>	<b>3,521,394</b>	<b>6,769,552</b>	<b>60,383,660</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	3,286,989	12,349	2,288,056	239,916	5,827,310
Accrued liabilities	1,817,174	-	-	71,423	1,888,597
Interfund loans payable	-	-	-	816,923	816,923
Accrued teachers' summer salaries	4,883,721	-	-	330,260	5,213,981
<b>Total liabilities</b>	<b>9,987,884</b>	<b>12,349</b>	<b>2,288,056</b>	<b>1,458,522</b>	<b>13,746,811</b>
Deferred inflows of resources:					
Unavailable revenue - property taxes	658,000	-	-	-	658,000
<b>Total deferred inflows of resources</b>	<b>658,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>658,000</b>
Fund balances:					
Nonspendable	-	-	-	193,519	193,519
Restricted	4,930,223	8,516,956	1,441,311	2,268,941	17,157,431
Committed	6,460,667	-	5,065,680	3,047,830	14,574,177
Assigned	3,392,636	-	-	-	3,392,636
Unassigned	16,133,999	-	(5,273,653)	(199,260)	10,661,086
<b>Total fund balances</b>	<b>30,917,525</b>	<b>8,516,956</b>	<b>1,233,338</b>	<b>5,311,030</b>	<b>45,978,849</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 41,563,409</b>	<b>8,529,305</b>	<b>3,521,394</b>	<b>6,769,552</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	149,326,985
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	658,000
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:	
Bond premiums	(3,770,686)
Deferred charge from refunding	1,072,482
Accrued compensated absences	(3,309,232)
Other postemployment benefits liabilities with related deferred inflows and outflows of resources	(13,102,257)
Accrued interest	(584,286)
Landfill closure	(127,800)
Capital leases	(2,439,128)
Net pension liability with related deferred inflows and outflows of resources	(7,427,858)
Bonds and notes payable	(45,269,534)

**Net position of governmental activities**

**\$ 121,005,535**

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2021**

	General	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 76,636,086	2,641,433	-	25,000	79,302,519
Intergovernmental	19,602,849	1,109,986	154,434	11,439,711	32,306,980
Licenses, permits, fees and fines	1,402,409	-	-	-	1,402,409
Charges for services	2,496,913	-	-	1,250,804	3,747,717
Unclassified	920,154	-	75,293	469,344	1,464,791
Investment income (loss)	144,329	57,566	10,720	(6,064)	206,551
<b>Total revenues</b>	<b>101,202,740</b>	<b>3,808,985</b>	<b>240,447</b>	<b>13,178,795</b>	<b>118,430,967</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	12,026,243	434,556	-	2,643,086	15,103,885
Public safety	12,313,727	-	-	1,018,890	13,332,617
Public works	4,718,291	17,790	-	345,006	5,081,087
Culture and recreation	3,090,456	-	-	832,645	3,923,101
Transportation and waterfront	1,445,496	-	-	31,213	1,476,709
Health, welfare and social services	735,182	-	-	-	735,182
Education (excluding debt service)	51,159,809	-	-	8,207,487	59,367,296
School lunch program	-	-	-	1,640,669	1,640,669
Intergovernmental	3,084,423	-	-	-	3,084,423
Other	46,958	1,779,402	-	1,959	1,828,319
Debt service	5,840,202	-	-	-	5,840,202
Capital expenditures	1,404,999	-	14,229,671	-	15,634,670
<b>Total expenditures</b>	<b>95,865,786</b>	<b>2,231,748</b>	<b>14,229,671</b>	<b>14,720,955</b>	<b>127,048,160</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5,336,954</b>	<b>1,577,237</b>	<b>(13,989,224)</b>	<b>(1,542,160)</b>	<b>(8,617,193)</b>
<b>Other financing sources (uses):</b>					
Transfers in	779,255	-	366,499	563,137	1,708,891
Transfers out	(1,298,927)	(530,102)	-	-	(1,829,029)
Issuance of debt	-	-	7,950,000	-	7,950,000
Premium on issuance of debt	-	-	1,323,091	-	1,323,091
<b>Total other financing sources (uses)</b>	<b>(519,672)</b>	<b>(530,102)</b>	<b>9,639,590</b>	<b>563,137</b>	<b>9,152,953</b>
<b>Net change in fund balances</b>	<b>4,817,282</b>	<b>1,047,135</b>	<b>(4,349,634)</b>	<b>(979,023)</b>	<b>535,760</b>
<b>Fund balances, beginning of year, as restated</b>	<b>26,100,243</b>	<b>7,469,821</b>	<b>5,582,972</b>	<b>6,290,053</b>	<b>45,443,089</b>
<b>Fund balances, end of year</b>	<b>\$ 30,917,525</b>	<b>8,516,956</b>	<b>1,233,338</b>	<b>5,311,030</b>	<b>45,978,849</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended June 30, 2021**

Net change in fund balances - total governmental funds (from Statement 4)	\$	535,760
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of:</p>		
Capitalized assets		20,151,891
Book value of disposed capital assets		(297,678)
Depreciation expense		(6,543,110)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in unavailable revenues.</p>		
		(20,501)
<p>Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayments reduces long-term liabilities in the statement of net position. This is the amount of:</p>		
Capital lease principal repayments		1,022,282
<p>The amortization of the deferred charge between the principle of debt refunded and the payment to the refunding escrow over the life of the refunding bonds.</p>		
		(142,998)
<p>Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Governmental funds report the effects of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of:</p>		
Bond premium amortization		581,471
Bond premium proceeds		(1,323,091)
Bond and note principal repayments		3,776,512
Bond and note proceeds		(7,950,000)
<p>Change in accruals are recorded on the statement of net position, but not on the governmental fund balance sheet. This is the amount of:</p>		
Accrued compensated absences		383,408
Accrued interest		(60,035)
Other post employment benefits and deferred inflows and outflows		628,353
Net pension liability and deferred inflows and outflows		(273,321)
<p>Changes in long-term liabilities on the statement of net position, are expenditures in the governmental funds. This is the change of the landfill closure liability.</p>		
		14,200
<b>Change in net position of governmental activities (see Statement 2)</b>		<b>\$ 10,483,143</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund and TIF Funds**  
**For the year ended June 30, 2021**

	General Fund				TIF Funds			
	Budget		Actual	Variance with final budget positive (negative)	Budget		Actual	Variance with final budget positive (negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 74,469,505	74,469,505	76,636,086	2,166,581	2,787,975	2,787,975	2,641,433	(146,542)
Intergovernmental	14,009,698	14,009,698	14,564,487	554,789	900,000	900,000	1,109,986	209,986
Licenses, permits, fees and fines	897,150	897,150	1,402,409	505,259	-	-	-	-
Charges for services	1,882,100	1,882,100	2,124,176	242,076	-	-	-	-
Unclassified	74,800	74,800	398,150	323,350	-	-	-	-
Interest earned	300,000	300,000	627,875	327,875	-	-	57,566	57,566
Total revenues	91,633,253	91,633,253	95,753,183	4,119,930	3,687,975	3,687,975	3,808,985	121,010
Expenditures:								
Current:								
General government	12,414,596	12,414,596	11,812,896	601,700	516,683	516,683	434,556	82,127
Public safety	12,631,924	12,631,924	12,061,318	570,606	-	-	-	-
Public works	5,294,845	5,294,845	4,890,288	404,557	59,570	59,570	17,790	41,780
Culture, parks, and recreation	3,559,928	3,559,928	3,079,667	480,261	-	-	-	-
Transportation and waterfront	1,649,367	1,649,367	1,400,892	248,475	-	-	-	-
Health, welfare and social services	819,860	819,860	735,873	83,987	-	-	-	-
Education	53,104,055	53,104,055	50,153,045	2,951,010	-	-	-	-
Intergovernmental	3,084,423	3,084,423	3,084,423	-	-	-	-	-
Other	139,700	139,700	47,117	92,583	1,795,247	1,795,247	1,779,402	15,845
Debt service (excluding education)	1,435,261	1,435,261	1,460,980	(25,719)	-	-	-	-
Total expenditures	94,133,959	94,133,959	88,726,499	5,407,460	2,371,500	2,371,500	2,231,748	139,752
Excess (deficiency) of revenues over (under) expenditures	(2,500,706)	(2,500,706)	7,026,684	9,527,390	1,316,475	1,316,475	1,577,237	260,762
Other financing sources (uses):								
Budgeted use of surplus - City	-	-	-	-	206,130	206,130	-	(206,130)
Budgeted use of surplus - School	500,000	500,000	-	(500,000)	-	-	-	-
Tax rate stabilization fund	2,075,000	2,075,000	(225,000)	(2,300,000)	-	-	-	-
Transfer in	700,670	700,670	707,337	6,667	-	-	-	-
Transfers out	(774,964)	(774,964)	(1,073,927)	(298,963)	(1,522,605)	(1,522,605)	(530,102)	992,503
Total other financing sources (uses)	2,500,706	2,500,706	(591,590)	(3,092,296)	(1,316,475)	(1,316,475)	(530,102)	786,373
Net change in fund balance - budgetary basis	-	-	6,435,094	6,435,094	-	-	1,047,135	1,047,135
Reconciliation to GAAP basis:								
Change in encumbrances - City			24,916				-	
Change in encumbrances - School			(2,922)				-	
Change in unbudgeted teacher summer benefits			(26,188)				-	
Change in reserves			(1,613,618)				-	
Net change in fund balance - GAAP basis			4,817,282				1,047,135	
Fund balance, beginning of year			26,100,243				7,469,821	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>30,917,525</b>				<b>8,516,956</b>	

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statements of Net Position**  
**Proprietary Funds**  
**June 30, 2021 and 2020**

<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 10,481,955	\$ 11,412,663
Receivables, net of allowance of \$42,991 and \$37,661, respectively	538,077	502,515
Sewer liens	6,061	1,996
<b>Total current assets</b>	<b>11,026,093</b>	<b>11,917,174</b>
Noncurrent assets:		
Capital assets, not being depreciated	4,508,437	1,872,286
Capital assets	108,800,445	108,418,784
Accumulated depreciation	(55,963,643)	(53,928,507)
<b>Total noncurrent assets</b>	<b>57,345,239</b>	<b>56,362,563</b>
<b>Total assets</b>	<b>68,371,332</b>	<b>68,279,737</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	638,227	203,637
Accrued wages	19,796	14,738
Accrued interest	10,867	11,125
Current portion of noncurrent liabilities:		
Compensated absences	122,945	126,595
Notes payable	197,102	197,102
<b>Total current liabilities</b>	<b>988,937</b>	<b>553,197</b>
Noncurrent liabilities:		
Compensated absences	170,118	199,805
Notes payable	2,583,267	2,780,369
<b>Total noncurrent liabilities</b>	<b>2,753,385</b>	<b>2,980,174</b>
<b>Total liabilities</b>	<b>3,742,322</b>	<b>3,533,371</b>
<b>NET POSITION</b>		
Net investment in capital assets	54,564,870	53,385,092
Restricted for capital projects	-	4,042,278
Unrestricted	10,064,140	7,318,996
<b>Total net position</b>	<b>\$ 64,629,010</b>	<b>64,746,366</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the years ended June 30, 2021 and 2020**

<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating revenues:</b>		
Charges for services	\$ 6,210,998	5,805,556
Interest and penalties	238	-
Licenses	56,234	60,155
Other	1,290	-
Total operating revenues	6,268,760	5,865,711
<b>Operating expenses:</b>		
Personnel services	2,534,999	2,543,904
Contractual services	1,222,599	1,329,230
Supplies and materials	535,014	445,602
Fixed charges	72,261	72,532
Capital outlay	40,748	42,200
Depreciation	2,133,697	2,080,026
Total operating expenses	6,539,318	6,513,494
Operating income (loss)	(270,558)	(647,783)
<b>Nonoperating revenues (expenses):</b>		
Interest revenue	57,836	78,622
Gain (loss) on disposal of capital assets	(5,491)	-
Interest expense	(19,281)	(27,120)
Total nonoperating revenues (expenses)	33,064	51,502
Income (loss) before transfers	(237,494)	(596,281)
Capital contributions	-	113,954
Transfers in	121,002	421,404
Transfer out	(864)	(864)
Total transfers and contributions	120,138	534,494
Change in net position	(117,356)	(61,787)
Net position, beginning of year	64,746,366	64,808,153
<b>Net position, end of year</b>	<b>\$ 64,629,010</b>	<b>64,746,366</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**For the years ended June 30, 2021 and 2020**

	Sewer	
	2021	2020
<b>Business-type Activities - Enterprise Funds</b>		
Cash flows from operating activities:		
Receipts from customers and users	\$ 6,229,133	5,890,839
Payments to suppliers	(1,436,032)	(2,925,450)
Payments to employees	(2,563,278)	(2,483,228)
Net cash provided by (used in) operating activities	2,229,823	482,161
Cash flows from noncapital financing activities:		
Transfer from other funds	121,002	421,404
Transfers to other funds	(864)	(864)
Net cash provided by (used in) noncapital financing activities	120,138	420,540
Cash flows from capital and related financing activities:		
Purchase of capital assets	(3,122,215)	(2,320,361)
Interest paid on notes	(19,188)	(20,163)
Principal payments on notes	(197,102)	(197,102)
Net cash provided by (used in) capital and related financing activities	(3,338,505)	(2,537,626)
Cash flows from investing activities:		
Interest revenue	57,836	78,622
Net cash provided by (used in) investing activities	57,836	78,622
Net increase (decrease) in cash	(930,708)	(1,556,303)
Cash and cash equivalents, beginning of year	11,412,663	12,968,966
<b>Cash and cash equivalents, end of year</b>	<b>\$ 10,481,955</b>	<b>11,412,663</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (270,558)	(647,783)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,133,697	2,080,026
(Increase) decrease in receivables	(35,562)	22,443
(Increase) decrease in liens	(4,065)	2,685
Increase (decrease) in accounts payable	434,590	(1,035,886)
Increase (decrease) in accrued wages	5,058	13,076
Increase (decrease) in compensated absences	(33,337)	47,600
Net cash provided by (used in) operating activities	\$ 2,229,823	482,161

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

		<b>Private- purpose Trust Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$	58,790
Investments		1,977,134
Due from others		71,770
<b>Total assets</b>		<b>2,107,694</b>
<b>LIABILITIES</b>		
Accounts payable		2,000
<b>Total liabilities</b>		<b>2,000</b>
<b>NET POSITION</b>		
Held in trust	\$	<b>2,105,694</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2021**

		<b>Private- purpose Trust Funds</b>
<hr/>		
Additions:		
Donations	\$	3,080
Investment earnings:		
Interest		80,800
Unrealized gain (loss)		(44,996)
<b>Total additions</b>		<b>38,884</b>
<hr/>		
Deductions:		
Scholarships and other		117,006
<b>Total deductions</b>		<b>117,006</b>
<hr/>		
Change in net position		(78,122)
Net position, beginning of year		2,183,816
<hr/>		
<b>Net position, end of year</b>		<b>\$ 2,105,694</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements**

---

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

The City of South Portland, Maine functions under a City Manager - City Council form of government.

The financial statements of the City of South Portland have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

This report includes all funds of the City of South Portland, Maine. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens.

It is the City's judgment, based on all pertinent facts derived from the analysis of these criteria, that there are no entities that would be considered potential component units within the City of South Portland that should be included as part of these financial statements.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among the programs, functions, and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

---

**C. Measurement Focus, Basis of Accounting, and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Tax Increment Financing Fund accounts for resources accumulated and payments made for the Tax Increment Financing Districts established by the City.

The Capital Projects Fund accounts for the resources accumulated and payments made for the acquisition and construction of major capital facilities (other than those financed by the proprietary fund).

The City reports the following major proprietary fund:

The Sewer User Fund accounts for the operation of the sewer treatment plant, sewage pumping stations and collection systems.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide financial statements. The City's fiduciary funds include the following:

*Private-purpose trust funds* account for resources where funds are legally restricted by a formal trust agreement and may be used for purposes that benefit individuals, private organizations, or other governments. These include scholarship, education, land bank, and public library funds.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

---

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund is charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include amounts in demand deposits as well as time deposits and certificates of deposit owned by the City. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Investments are stated at fair value. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

**E. Interfund Loans**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund loans receivable" or "interfund loans payable" on the balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**F. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are generally recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**G. Allowance for doubtful Accounts**

The City develops its estimated allowance for doubtful accounts based on past experience of collectability with customers.

**H. Restricted Assets**

The City has a \$50,000 deposit with the State of Maine related to workers' compensation self insurance from prior years.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

---

**I. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, sewer system and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Building/land improvements	20
Streets, street lights, and sidewalks	10 - 20
Bridges	50
Collection and distribution systems	65
Vehicles	3 - 20
Machinery and equipment	5 - 20

**J. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City provides vesting for vacation and sick leave benefits based upon length of employment. There is a liability for unpaid accumulated sick leave since the City does have a policy to pay a portion of unused sick time based on length of service when employees separate from service with the City. All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**K. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**L. Fund Equity**

Governmental fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

---

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the City imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner. The City Council is the highest level of decision making authority, and has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments by passage of an order.
- *Assigned* – resources that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Council has delegated the authority to assign fund balance to the City’s Finance Director based on prescribed policies previously established by the City Council.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City’s fund balance policy states when both restricted and unrestricted resources are available for use, it is the City’s intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the City’s intent to use committed or assigned resources first, and then unassigned resources as they are needed. The City Council approved the fund balance policy and fund classifications on June 20, 2012, in order #166-10/11.

**M. Interfund Transactions**

Interfund services provided and used are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except internal services provided and used for transactions and reimbursements, are reported as transfers.

**N. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data has not been presented in all statements because its inclusion would make certain statements unduly complex and difficult to understand.

**O. Use of Estimates**

Preparation of the City’s financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

---

**P. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Q. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined based on actuary reports prepared by the OPEB Plan's actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**R. Deferred Inflows and Outflows of Resources**

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds only report one type of deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The governmental activities have two items that qualify for reporting in this category. One is the deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The governmental activities also have deferred outflows and inflows that relate to the net pension and OPEB liabilities, which include the City's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension and OPEB liabilities in the subsequent year. They include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between City contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

---

**S. Net Position**

Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable, notes payable, bond premiums, and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2021:

	Governmental activities	Business-type activities
Capital assets	\$ 270,270,604	113,308,882
Accumulated depreciation	(120,943,619)	(55,963,643)
Bonds/notes payable and premiums	(49,040,220)	(2,780,369)
Add back bond proceeds unexpended	1,441,311	-
Capital leases	(2,439,128)	-
<b><u>Net investment in capital assets</u></b>	<b><u>\$ 99,288,948</u></b>	<b><u>54,564,870</u></b>

---

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

---

**A. Budgetary Information**

An annual budget is adopted by the City Council for the General Fund, Sewer Use Fund, and the TIF Fund. The budgets are prepared substantially in accordance with accounting principles generally accepted in the United States of America, except that the general fund revenues and expenditures related to "on-behalf payments" made by the State of Maine to the Maine Public Employees Retirement System for teachers and other school employees are not budgeted. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$4,969,448.

These amounts have been included as an intergovernmental revenue and as an education expense/expenditure on Statements 2 and 4 (GAAP basis). There is no effect on the net position/fund balance at the end of the year. The Sewer Use Fund budgets for debt service principal and interest payments as an expense and does not budget for depreciation expense. In addition, capital contributions from other funds are not budgeted. The legal level of budgetary control is at the department level.

The City employs encumbrance accounting in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year is \$817,084 in the General Fund.

Additionally, the City does not budget for certain benefits that are accrued at year end by the School Department for teachers during the summer vacation.

**B. Excess of Expenditures over Appropriations**

Per City Charter, the level of budgetary control is at the department level. For the year ended June 30, 2021, only debt service was over its charter level budget limits in the amount of \$25,719.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

---

**C. Deficit Fund Balances**

At June 30, 2021, the following funds had deficit fund balances:

Special Revenue Funds:

Wellness Committee	\$ 2,367	United Way Adopt A School	327
Sustainability Grant	3,882	Staff Computer Training	476
City Donations Fund	15,850	Future Builders/Summer School	20,920
Supplemental Homeland Security	53,826	Robotics	14,650
Friends of South Portland Libraries	2,644	21 <sup>st</sup> Century Donations	15,066
FTA CARES Act	4,658	Friends Skillin Library	479
Learning Results	405	Brown Friends	693
E-Rate	5,593	<u>Private-purpose Trust:</u>	
Sustainability Committee	87	A. Veranelli Scholarship	232
Memorial Tech Grant Koelker	1,237	<u>Capital Project Funds:</u>	
National Semiconductor (Brown)	3,683	Middle School Project	5,262,859
Texas Instruments (STEM Grant)	3	School FY02 Project	10,794
United Way Brick/Beam	1,273		
School Lunch	51,141		

These deficits will be funded by future grant revenue, charges for services, bond proceeds, or transfers.

---

DEPOSITS AND INVESTMENTS

---

As of June 30, 2021, the City had the following deposits and investments with the following maturities, some of which are classified as cash and cash equivalents:

	<u>Fair value</u>	<u>Less than 1 year</u>	<u>1 – 5 years</u>	<u>Over 5 years</u>
U.S. Treasury Notes	\$ 2,700,681	503,660	1,472,121	724,900
Federal National Mortgage Assoc.	95,423	-	95,423	-
Federal Agriculture Mortgage Corp	900,885	-	-	900,885
Certificates of Deposit	34,941,654	13,669,168	21,272,486	-
Stock Mutual Fund	95,410	Not applicable		

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments held by the City are categorized as Level 1 inputs.

*Custodial credit risk- deposits* – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. As of June 30, 2021, the City had bank balances of \$63,539,215. In accordance with its investment policy, the City’s funds should, whenever practicable, be fully covered under FDIC, fully insured or fully collateralized, or covered with an irrevocable stand by letter of credit, with pledged collateral being at least 102% of market value of the principal and accrued interest, and must be marked to market daily. As of June 30, 2021, the City had deposits being held in an investment account in the amount of \$1,457,122 which were subject to custodial credit risk because they were not insured or collateralized.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**DEPOSITS AND INVESTMENTS, CONTINUED**

---

*Custodial credit risk- investments* – For investments, this is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2021, the City had fair value investment balances of \$3,792,404 of which only the stock mutual fund was subject to custodial credit risk. In accordance with its investment policy, the City minimizes custodial credit risk by doing business with authorized institutions, depositories, and broker/dealers, and that funds should be fully covered under FDIC, fully insured or fully collateralized, with pledged collateral being at least 102% of market value of the principal and accrued interest, and must be marked to market daily.

*Credit risk* – Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. U.S. Treasury Notes are not rated. As of June 30, 2021, the City's investments in Federal Home Loan Banks, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Associations were rated AA+ by Standard & Poor's. In accordance with its investment policy, the City minimizes credit risk by limiting the types of investments to be purchased and diversifying the investment portfolio so that the impact of potential losses will be minimized.

*Interest rate risk* – In accordance with its investment policy, the City structures its investment portfolio so securities mature to meet cash requirements for ongoing operations. It invests funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limits the average maturity of the portfolio.

---

**PROPERTY TAX**

---

Property taxes for the current period were committed on July 16, 2020 on the assessed value listed as of the prior April 1 for all real and personal property located in the City. Assessed values are periodically established by the City's Assessor at 100% of assumed market value. The City performed a revaluation to bring assessed values in line with market values prior to the commitment date.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$689,301 for the year ended June 30, 2021.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid.

Property taxes levied during the period were recorded as receivables at the time the levy was made. The receivables collected during the period and in the first sixty days following the end of the period have been recorded as revenues. The remaining receivables have been recorded as unavailable revenues.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

PROPERTY TAX, CONTINUED

---

The following summarizes the levy:

	<u>2021</u>	<u>2020</u>
Assessed value	\$ 3,622,586,200	3,686,331,560
Tax rate (per \$1,000)	19.75	19.10
Commitment	71,546,077	70,408,933
Supplemental	-	2,053
Less:		
Abatements	422,871	205,799
Collections	70,617,202	69,197,377
Current year taxes receivable at end of year	506,004	1,007,810
Taxes and liens receivable - prior years	371,270	331,544
<b>Total taxes and liens receivable</b>	<b>\$ 877,274</b>	<b>1,339,354</b>

		<u>2021</u>	<u>2020</u>
Due dates:	1st quarter	August 20, 2020	August 15, 2019
	2nd quarter	November 19, 2020	November 21, 2019
	3rd quarter	February 18, 2021	February 20, 2020
	4th quarter	May 13, 2021	June 1, 2020
Interest rate on delinquent taxes		7.00%	8.00%
Collection rate		98.70%	98.28%

---

CAPITAL ASSETS

---

Capital asset activity for governmental activities for the year ended June 30, 2021 was as follows:

	Balance June 30, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2021</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 9,416,245	1,982,424	-	11,398,669
Construction	4,778,468	7,077,553	2,969,072	8,886,949
Total capital assets not being depreciated	14,194,713	9,059,977	2,969,072	20,285,618
Capital assets, being depreciated:				
Buildings	143,836,721	8,683,569	882,198	151,638,092
Improvements other than buildings	6,570,214	165,951	-	6,736,165
Machinery and equipment	16,641,604	1,262,630	179,784	17,724,450
Vehicles	17,533,575	646,039	409,589	17,770,025
Infrastructure	52,813,457	3,302,797	-	56,116,254
Total capital assets being depreciated	237,395,571	14,060,986	1,471,571	249,984,986
Less accumulated depreciation for:				
Buildings	\$ 50,778,315	2,893,646	589,114	53,082,847
Improvements other than buildings	4,262,187	219,860	-	4,482,047
Machinery and equipment	11,768,296	831,605	177,975	12,421,926
Vehicles	11,155,634	1,235,930	406,804	11,984,760
Infrastructure	37,609,970	1,362,069	-	38,972,039
Total accumulated depreciation	115,574,402	6,543,110	1,173,893	120,943,619

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**CAPITAL ASSETS, CONTINUED**

<u>Total capital assets being depreciated, net</u>	\$ 121,821,169	7,517,876	297,678	129,041,367
<b><u>Governmental activities capital assets, net</u></b>	<b>\$ 136,015,882</b>	<b>16,577,853</b>	<b>3,266,750</b>	<b>149,326,985</b>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 284,104
Public safety	751,263
Public works	1,690,249
Culture and recreation	645,802
Transportation and waterfront	460,560
Education	2,711,132
<b><u>Total depreciation expense – governmental activities</u></b>	<b>\$ 6,543,110</b>

Capital asset activity for business-type activities for the year ended June 30, 2021 was as follows:

	Balance June 30, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2021</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,221,558	-	-	1,221,558
Construction in progress	650,728	2,774,754	138,603	3,286,879
<b>Total capital assets not being depreciated</b>	<b>1,872,286</b>	<b>2,774,754</b>	<b>138,603</b>	<b>4,508,437</b>
Capital assets, being depreciated:				
Buildings	36,467,205	-	-	36,467,205
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	18,417,446	345,485	18,300	18,744,631
Vehicles	1,102,414	140,579	86,103	1,156,890
Infrastructure	52,351,388	-	-	52,351,388
<b>Total capital assets being depreciated</b>	<b>108,418,784</b>	<b>486,064</b>	<b>104,403</b>	<b>108,800,445</b>
Less accumulated depreciation for:				
Buildings	22,492,983	750,656	-	23,243,639
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	12,633,671	591,292	12,459	13,212,504
Vehicles	1,044,437	13,638	86,102	971,973
Infrastructure	17,677,085	778,111	-	18,455,196
<b>Total accumulated depreciation</b>	<b>53,928,507</b>	<b>2,133,697</b>	<b>98,561</b>	<b>55,963,643</b>
<b>Total capital assets being depreciated, net</b>	<b>54,490,277</b>	<b>(1,647,633)</b>	<b>5,842</b>	<b>52,836,802</b>
<b><u>Business-type activities capital assets, net</u></b>	<b>\$ 56,362,563</b>	<b>1,127,121</b>	<b>144,445</b>	<b>57,345,239</b>

Depreciation expense (\$2,133,697) for proprietary funds was charged entirely to the sewer fund.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
<b>Governmental activities:</b>					
General obligation bonds	\$ 40,910,000	7,950,000	3,730,000	45,130,000	4,185,000
Bond premiums	3,029,066	1,323,091	581,471	3,770,686	534,923
Notes from direct borrowing	186,046	-	46,512	139,534	46,512
Capital leases	3,461,410	-	1,022,282	2,439,128	699,738
Landfill closure	142,000	-	14,200	127,800	14,200
Other post-employment benefits	13,665,286	175,719	-	13,841,005	-
Net pension liability	9,134,909	2,416,608	-	11,551,517	-
Compensated absences	3,692,640	839,374	1,222,782	3,309,232	1,219,645
<b>Governmental activities long-term liabilities</b>	<b>\$ 74,221,357</b>	<b>12,704,792</b>	<b>6,617,247</b>	<b>80,308,902</b>	<b>6,700,018</b>

The liabilities for the pension-related debt, compensated absences, and other post-employment benefits are fully liquidated by the general fund.

<b>Business-type activities:</b>					
Notes from direct borrowing	\$ 2,977,471	-	197,102	2,780,369	197,102
Compensated absences	326,400	126,595	159,932	293,063	122,945
<b>Business-type activities long-term liabilities</b>	<b>\$ 3,303,871</b>	<b>126,595</b>	<b>357,034</b>	<b>3,073,432</b>	<b>320,047</b>

Bonds payable and notes from direct borrowing at June 30, 2021 is comprised of the following:

	Date of issue	Original amount issued	Date of maturity	Interest rate	Balance June 30, 2021
<b>Governmental activities:</b>					
2011 Refund 2002 & 2003 Elem Sch.	10/26/2011	\$ 8,905,000	7/15/2023	2.00-4.38%	1,490,000
2012 HS Construction – School	5/30/2012	30,000,000	7/15/2032	2.00-4.00%	6,000,000
2013 HS SRRF – School*	12/1/2013	664,450	12/1/2023	0.00%	139,534
2014 HS Construction – School	4/10/2014	8,850,000	4/15/2034	2.25-3.25%	5,735,000
2017 Municipal Service Facility – City	9/8/2017	12,700,000	3/1/2037	2.00-5.00%	10,160,000
2017 Advance Refund 2010 & 2012	9/13/2017	15,700,000	7/15/2029	2.375-4.00%	13,795,000
2021 General Obligation Bond	8/20/2020	7,950,000	8/15/2040	2.00-5.00%	7,950,000
<b>Total governmental activities</b>					<b>45,269,534</b>
<b>Business-type activities:</b>					
2009 SRF (Long Creek) *	10/7/2009	749,716	10/1/2029	0.00%	230,369
2015 CWSRF *	8/30/2015	3,500,000	8/1/2035	0.35%	2,550,000
<b>Total business-type activities</b>					<b>2,780,369</b>
<b>Total bonds and notes payable</b>					<b>\$ 48,049,903</b>

\* Notes from direct borrowing.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**LONG-TERM DEBT, CONTINUED**

Advance Refunding -Prior year defeasance of debt. In September of 2017, the City defeased certain general obligation 2010 and 2012 school bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments and the related call premiums on the old bonds. The trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2021, \$14,060,000 of defeased bonds remain outstanding.

Authorized but Unissued Bonds. In November of 2019, voters approved bonding for \$69,269,073 for the construction of a new consolidated middle school. The School Department had previously received State of Maine approval for State "Participation" in the funding of \$59,269,073. City taxpayers will be responsible for repayment of the \$10,000,000 portion. Voters also approved \$2,075,000 for pedestrian improvements and \$200,000 for dynamic traffic signalization engineering and installation. At June 30, 2021, these bonds were authorized but unissued.

The annual requirements to amortize governmental activities long-term debt outstanding as of June 30, 2021 are as follows:

<u>June 30,</u>	<u>Bonds</u>		<u>Notes</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$ 4,185,000	1,448,600	46,512	-	5,680,112
2023	3,580,000	1,311,287	46,511	-	4,937,798
2024	3,530,000	1,174,425	46,511	-	4,750,936
2025	3,225,000	1,035,288	-	-	4,260,288
2026	3,225,000	908,237	-	-	4,133,237
2027-2031	15,955,000	2,757,653	-	-	18,712,653
2032-2036	9,145,000	687,222	-	-	9,832,222
2037-2040	2,285,000	90,438	-	-	2,375,438
<b>Total</b>	<b>\$ 45,130,000</b>	<b>9,413,150</b>	<b>139,534</b>	<b>-</b>	<b>54,682,684</b>

The annual requirements to amortize business-type activity long-term debt outstanding as of June 30, 2021 are as follows:

<u>June 30,</u>	<u>Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 197,102	17,559	214,661
2023	197,102	16,934	214,036
2024	197,102	16,309	213,411
2025	197,102	15,685	212,787
2026	197,103	15,060	212,163
2027-2031	944,858	65,928	1,010,786
2032-2036	850,000	50,309	900,309
<b>Total</b>	<b>\$ 2,780,369</b>	<b>197,784</b>	<b>2,978,153</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**LONG-TERM DEBT, CONTINUED**

---

The City is subject to a statutory limitation, by the State of Maine, of its general long-term debt equal to 15% of the State's valuation of the City. At June 30, 2021, the statutory limit for the City was \$730,005,000. The City's outstanding long-term debt of \$48,049,903 at June 30, 2021 was \$681,955,097 less than the statutory limit.

In addition to the bonds payable, the City is contingently responsible for the following overlapping debt as of June 30, 2021:

<u>Governmental Unit</u>	<u>Net debt outstanding</u>	<u>Applicable to South Portland</u>	<u>City's share of debt</u>
Cumberland County	\$ 33,370,194	3,056,170	9.16%
Portland Water District	54,758,718	7,430,758	13.57%

---

**JOINTLY GOVERNED ORGANIZATION**

---

The City of South Portland participates in a jointly governed organization, which is not part of the City's reporting entity.

ecomaine is a solid waste management corporation serving 68 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 20 member communities, ecomaine creates electricity through its processing of waste and also operates an extensive recycling program. The City is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The City has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements in connection with its participation in ecomaine.

Selected balance sheet information for ecomaine for the year ended June 30, 2021 includes total assets of \$70,308,100, and total liabilities of \$21,406,572 and unrestricted net position of \$18,438,342. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,619,054. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2021 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Road, Portland, Maine 04102.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**CAPITAL LEASES**

The City has entered into lease agreements as lessee for financing the acquisition of equipment and has also entered into an energy performance lease arrangement. These leases qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of future minimum lease payments as of the date of its inception. The value of assets capitalized under these leases as of June 30, 2021 was \$7,169,604.

The following is a schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payment at June 30, 2021.

	<u>Governmental activities</u>
2022	\$ 754,066
2023	564,818
2024	360,431
2025	244,510
2026	244,510
<u>2027-2030</u>	<u>439,427</u>
Total minimum lease payments	2,607,762
<u>Less: amount representing interest</u>	<u>168,634</u>
<b>Present value of future minimum lease payments</b>	<b><u>\$ 2,439,128</u></b>

**LANDFILL**

The City records a liability for the estimated costs of landfill closure and postclosure care, as required by government authorities. State and federal laws and regulations require the City to place a final cover on its Highland Avenue landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill ceased accepting waste, effective January 1, 1993, as required by State regulations. Since that time, the twenty-five acre landfill has remained inactive. Although it was not at capacity, its useful life was over. The City completed the landfill closure process in fiscal year 2000. At June 30, 2021, the City had recorded approximately \$127,800 of estimated cost remaining related to postclosure care of the landfill. The City has amounts available in the general fund to fund these estimated costs. The actual cost may be higher due to inflation, changes in technology, or changes in regulations.

**INTERFUND BALANCES AND TRANSFERS**

As of June 30, 2021, interfund loans receivable and payable were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General Fund	\$ 745,153	-
Nonmajor Special Revenue Funds:		
School Grant Funds	-	688,311
School Lunch Fund	-	128,612
<u>Private-purpose Trust Funds</u>	<u>71,770</u>	<u>-</u>
<b>Total interfund balances</b>	<b><u>\$ 816,923</u></b>	<b><u>816,923</u></b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**INTERFUND BALANCES AND TRANSFERS, CONTINUED**

---

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account.

As of June 30, 2021, interfund transfers were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 779,255	1,298,927
Sewer Fund	121,002	864
Tax Increment Financing	-	530,102
Capital Projects	366,499	-
Nonmajor Special Revenue Funds:		
City Special Revenues	43,004	-
School Grant Fund	50,133	-
School Lunch Fund	470,000	-
<b>Total interfund transfers</b>	<b>\$ 1,829,893</b>	<b>1,829,893</b>

The primary purpose of the transfers is to move unrestricted revenues from various funds to finance various programs and capital projects that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or match funds for various grant programs.

---

**FUND BALANCES**

---

**Minimum fund balance policy.** The City Council has adopted a financial policy to maintain a minimum level of unassigned fund balance in the general fund. The minimum target level is set at 9% of general fund budgeted expenditures. In the event that the unassigned fund balance drops below this minimum level, the City will develop a plan, implemented through the annual budgetary process, to bring the balance back to the target level over a period of no more than three (3) fiscal years. Amounts in excess of the targeted maximum of 12% of general fund, measured on a GAAP basis, shall be used for capital improvements or other one-time expenditures as identified by the City Council. The policy was adopted by the City to recognize the financial importance of a stable and sufficient level of unassigned fund balance. However, the City Council reserves the right to appropriate funds from the unassigned fund balance for emergencies and other requirements the City Council believes to be in the best interest of the City of South Portland. At June 30, 2021, the City maintained an unassigned general fund balance of \$16,133,999, which is 16.58% of the fiscal year 2022 budget of \$97,289,056.

**Stabilization arrangement.** In the periods of economic decline where valuation assessments are flat or decreasing, and/or periods of significant estimated revenue loss or periods of high increases in budgeted expenditures, the City Council may set aside funds in the tax rate stabilization reserve to be used to reduce the needs from taxation for the coming year(s). Funds set aside in the tax rate stabilization reserve should have a planned exit strategy to reduce the use of such reserves in subsequent budgets and should be fully funded to the extent necessary to properly provide a declining (tiered) use of this reserve for a period no greater than 5 years. The objective of this tiered approach is to lessen the impact in subsequent years for the lower estimated revenues from the tax rate stabilization reserve. The committed general fund balances include a \$3,427,584 tax rate stabilization reserve at June 30, 2021 with \$1,200,000 anticipated to be used in the funding of fiscal year ending June 30, 2021 budget.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**FUND BALANCES, CONTINUED**

---

As of June 30, 2021, fund balance components consisted of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Nonspendable:</b>			
Principal for permanent funds	\$ -	193,519	193,519
Total nonspendable	-	193,519	193,519
<b>Restricted:</b>			
Education	4,930,223	362,324	5,292,547
TIF funds	-	8,516,956	8,516,956
Capital projects – unspent bond proceeds	-	1,441,311	1,441,311
Grants – Housing and business development	-	169,103	169,103
Grants – Other planning and general government	-	150,732	150,732
Grants – Fire and police	-	59,915	59,915
Grants – FEMA equipment	-	10,076	10,076
Grants – State highway block	-	941,292	941,292
Donations – Parks and recreation operations	-	393,379	393,379
Other grants and donations	-	10,477	10,477
Permanent funds	-	171,643	171,643
Total restricted	4,930,223	12,227,208	17,157,431
<b>Committed:</b>			
<b>General government:</b>			
Tax stabilization reserve	3,427,584	-	3,427,584
Climate action plan	29,653	-	29,653
Equipment replacement reserve	224,784	-	224,784
Unemployment reserve	62,071	-	62,071
Self-insurance reserve	173,348	-	173,348
Safety reserve	239,179	-	239,179
Computerization reserve	114,957	-	114,957
Litigation legal reserve	83,298	-	83,298
Other reserves	40,285	211,160	251,445
South Portland Community TV	-	710,528	710,528
Freshwater Wetland Fund	-	266,014	266,014
Land Bank Trust	-	38,875	38,875
<b>Public safety:</b>			
Fire equipment and vehicle reserve	833,185	-	833,185
Police equipment reserves	37,691	-	37,691
Call company retirement reserve	45,455	-	45,455
Hazardous materials fund	-	113,536	113,536
Other	-	65,772	65,772

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**FUND BALANCES, CONTINUED**

	General <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
<b>Public works:</b>			
Snow removal reserve	\$ 416,746	-	416,746
Cummings Road sewer reserve	226,130	-	226,130
Solid waste reserve	37,039	-	37,039
Other reserves	197,109	6,368	203,475
Street openings and recycling funds	-	390,647	390,647
Sewer impact fund	-	523,632	523,632
<b>Transit and waterfront:</b>			
Bus reserve	260,629	-	260,629
Portland Street Pier and Thomas Knight	-	245,715	245,715
<b>Culture and recreation:</b>			
Golf course	-	214,066	214,066
Library donations	3,899	36,974	40,873
Other	7,625	91,932	99,557
Education	-	132,611	132,611
Capital projects	-	5,065,680	5,065,680
<b>Total committed</b>	<b>6,460,667</b>	<b>8,113,510</b>	<b>14,574,177</b>
<b>Assigned:</b>			
Compensated absences reserve	\$ 1,382,829	-	1,382,829
Phone system reserve	104,975	-	104,975
Outside overtime - fire	13,313	-	13,313
Outside overtime - police	91,246	-	91,246
Investment unrealized gain	798,007	-	798,007
Public works fuel distribution	137,937	-	137,937
Fiscal year 2022 capital	68,244	-	68,244
<b>Encumbrances:</b>			
General government	44,265	-	44,265
Public safety	238,727	-	238,727
Public works	296,050	-	296,050
Culture and recreation	205,278	-	205,278
Transportation	1,758	-	1,758
Health and welfare	692	-	692
Contingency	9,315	-	9,315
<b>Total assigned</b>	<b>3,392,636</b>	<b>-</b>	<b>3,392,636</b>
<b>Unassigned</b>	<b>16,133,999</b>	<b>(5,472,913)</b>	<b>10,661,086</b>
<b>Total fund balance</b>	<b>\$ 30,917,525</b>	<b>15,061,324</b>	<b>45,978,849</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**CONSTRUCTION COMMITMENTS**

---

The City has entered into a contract in connection with the Middle School construction project. The following is a summary of the commitments at June 30, 2021:

	<u>Contract Total</u>	<u>Percentage Complete</u>	<u>Billed to Date</u>	<u>Balance Remaining</u>
Middle School Construction:				
Architectural and Engineering	\$ 3,933,542	74.01%	2,911,449	1,022,093
Construction Services	55,903,616	3.91%	2,186,271	53,717,345

---

**TAX INCREMENT FINANCING DISTRICTS**

---

The City has established twelve tax increment financing districts under the terms of applicable state laws.

	<u>Original value</u>	<u>Increase in value</u>	<u>TIF cap</u>	<u>Captured value</u>	<u>Captured tax</u>
Fairchild TIF	\$ 33,512,500	2,542,400	100%	2,542,400	50,212
Texas Instruments TIF	20,509,000	149,884,000	50%	74,942,000	1,480,104
One Wallace TIF	2,178,200	4,281,400	100%	4,281,400	84,558
Cummings TIF	1,697,100	25,184,200	0%	-	-
Long Creek TIF	1,066,300	11,656,300	0%	-	-
Jared TIF	957,500	1,243,500	100%	1,243,500	24,559
Hannaford TIF	343,000	8,856,479	100%	8,856,479	174,915
Downtown TIF	139,691,570	10,416,530	100%	10,416,530	205,726
Transit TIF	18,373,000	2,087,400	25%	521,850	10,307
Affordable:					
Brick Hill TIF	-	30,939,300	100%	30,939,300	611,051
Thornton Heights TIF	558,100	-	100%	-	-
Avesta Westbrook TIF	334,800	-	100%	-	-

The City may provide financial assistance to local economic development projects by using the new property taxes that result from the commercial investment and corresponding increase in taxable property valuation. This is accomplished by utilizing municipal tax increment financing district (TIF) in accordance with Chapter 260 of MRSA Title 30-A.

The City Council is authorized by statute to establish a Municipal Tax Increment Financing District and establish the Development Plan subject to the approval by the Commissioner of the Maine Department of Economic and Community Development.

Tax Increment Financing Districts allow the City to “shelter” the increase in property valuation from the computation of its State subsidies (General Purpose Aid to Education and Municipal Revenue Sharing) and Cumberland County tax assessments. The City would lose 50%-55% of all new property taxes due to reductions in State subsidies and increase in the City’s share of County taxes.

The Development Plan may authorize the City to enter into a Credit Enhancement Agreement (C.E.A.). The C.E.A. is a mechanism to assist the development project by using all or a portion of the incremental property tax revenues generated by the new investment to pay certain authorized project cost directly to the developer.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**TAX INCREMENT FINANCING DISTRICTS, CONTINUED**

---

The City had twelve approved Tax Increment Financing Districts as of June 30, 2021. For FY 2021, the City captured \$2,641,433 in TIF tax revenues and disbursed \$1,779,402 in C.E.A. payments to three (3) developers. The remaining \$862,031 was applied toward eligible local expenses. The following are the C.E.A. payments that each exceed ten (10) percent of the total amount of C.E.A. payments.

The City disbursed \$1,480,105 to Texas Instruments to reimburse for investments in plant equipment to make the facility more cost competitive in the highly competitive semiconductor industry. The current amended C.E.A. became effective for FY 2013 and the company annually must meet a minimum investment in the plant (three-year average) of at least \$6 million, with a sliding scale reimbursement percentage based on the investment. The FY2021 reimbursement was at a 100% reimbursement of taxes captured rate.

The City disbursed \$289,255 in C.E.A. payments to Long Creek Redevelopment LLC (Brick Hill TIF) to reimburse the eligible infrastructure investment for affordable housing relating to the Affordable Housing TIF based on a tax shift calculation formula that for FY2021 was at 47.34% of taxes captured.

**CONTINGENT LIABILITIES**

---

**Grant Funds** - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**Litigation** - The City is defending a lawsuit brought against it by Portland Pipe Line Corp. and American Waterways Operators based on the local citizen-led enactment of the "Clear Skies Ordinance," (the "Ordinance") which prohibits the bulk loading of crude oil onto marine tank vessels in South Portland and affects the ability of Portland Pipe Line Corp. to reverse the flow of the South Portland-to-Montreal pipeline to instead bring Canadian tar sands oil into Maine. The plaintiffs seek declaratory and injunctive relief, but no money damages are alleged. The City has earmarked just over \$2,750,000 for its own legal fees to date, and may incur additional fees and costs. To the extent that the plaintiffs prevail on one of their constitutional claims, the City may be responsible under 42 U.S.C. §1988 to reimburse the plaintiffs for some or all of their attorney's fees and costs. The City could use its unassigned fund balance and reserves to cover legal fees and does not expect the lawsuit to have a material adverse effect on its financial condition or budgetary performance. In June of 2018, the Courts ruled in favor of the City but subsequently the plaintiffs appealed the case to the United States Court of Appeals for the 1<sup>st</sup> Circuit in Boston, where the case is now pending.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

NET PENSION LIABILITY

---

**General Information about the Pension Plans**

The City contributes to two defined benefit pension plans, (1) the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and (2) the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan). As of the year ended June 30, 2021, the City had the following balances reported in the government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
PLD Plan	\$ 10,261,907	3,010,321	-	2,135,737
SET Plan	1,289,610	1,204,394	91,056	4,926,094
<b>Total</b>	<b>\$ 11,551,517</b>	<b>4,214,715</b>	<b>91,056</b>	<b>7,061,831</b>

Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at [www.maineopers.org](http://www.maineopers.org).

**Benefits Provided** - The PLD and SET Plans provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). For SET members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD) or by statute (SET).

**Contributions** - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**PLD Plan** - Employees are required to contribute 7.35% to 9.5% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2021, was 10.1% of annual payroll for the regular plan and 10.8% to 12.9% of annual payroll for the special plans. Contributions to the pension plan from the City were \$1,732,557 for the year ended June 30, 2021.

**SET Plan** - Maine statute requires the State to contribute a portion of the City's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2021, was 18.49% of annual payroll of which 4.16% of payroll was required from the City and 14.33% was required from the State. Contributions to the pension plan from the City were \$1,137,004 for the year ended June 30, 2021.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**NET PENSION LIABILITY, CONTINUED**

***Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

The net pension liabilities were measured as of June 30, 2020, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The City's proportion of the net pension liabilities were based on projections of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

**PLD Plan** - At June 30, 2021, the City reported a liability of \$10,261,907 for its proportionate share of the net pension liability. At June 30, 2020, the City's proportion of the PLD Plan was 2.5828%.

**SET Plan** - At June 30, 2021, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ 1,289,610
State's proportionate share of the net pension liability associated with the City	32,514,810
<b>Total</b>	<b>\$ 33,804,420</b>

At June 30, 2020, the City's proportion of the SET Plan was 0.0790%.

For the year ended June 30, 2021, the City recognized pension expense of \$2,135,737 for the PLD Plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 502,970	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	667,756	-
Changes in proportion and differences between City contributions and proportionate share of contributions	107,038	-
City contributions subsequent to the measurement date	1,732,557	-
<b>Total</b>	<b>\$ 3,010,321</b>	-

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**NET PENSION LIABILITY, CONTINUED**

\$1,732,557 is reported as deferred outflows of resources related to the PLD Plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ (288,929)
2023	431,063
2024	567,188
2025	568,442

For the year ended June 30, 2021, the City recognized pension expense of \$4,926,094 for the SET Plan with revenue of \$3,918,950 for support provided by the State. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the SET Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13,927	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	53,463	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	91,056
City contributions subsequent to the measurement date	1,137,004	-
<b>Total</b>	<b>\$ 1,204,394</b>	<b>91,056</b>

\$1,137,004 is reported as deferred outflows of resources related to the SET plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ (64,047)
2023	(54,054)
2024	47,466
2025	46,969

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**NET PENSION LIABILITY, CONTINUED**

---

**Actuarial Assumptions** - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% + merit	2.75% + merit
Investment return, per annum, compounded annually	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 30, 2015 and the economic assumptions are based on this experience study along with advice of the MPERS investment consultants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
U.S. Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	7.2%
Diversifiers	10.0%	5.9%

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75% for the PLD Plan and SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**NET PENSION LIABILITY, CONTINUED**

**Sensitivity of the City's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate** - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.75% for the PLD Plan and SET Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

<u>PLD Plan</u>	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
City's proportionate share of the net pension liability	\$ 21,566,387	10,261,907	1,008,361
<u>SET Plan</u>	1% Decrease <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
City's proportionate share of the net pension liability	\$ 2,236,562	1,289,610	500,345

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

**Payables to the Pension Plan** - None as of June 30, 2021.

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**General Information about the OPEB Plans**

The City contributes to four post-employment defined benefit plans, (1) the City's retiree health plan (City Plan), (2) the Maine Public Employees Retirement System State Employee and Teacher Group Term Life Plan (School Life Plan), (3) the Maine Public Employees Retirement System Participating Local District Life Plan (City Life Plan) and (4) the School Department's retiree health plan (School Plan). As of the year ended June 30, 2021, the City had the following balances reported in the government-wide financial statements:

	Total OPEB <u>Liability</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	OPEB (Gain) <u>Expense</u>
City Health Plan	\$ 3,942,074	575,161	899,660	184,702
School Life Insurance Plan	-	-	-	104,262
City Life Insurance Plan	420,295	78,632	266,275	(49,144)
School Health Plan	9,478,636	1,250,890	-	(314,529)
<b>Total</b>	<b>\$ 13,841,005</b>	<b>1,904,683</b>	<b>1,165,935</b>	<b>(74,709)</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE**

---

**Plan Description** - The City sponsors two post-retirement benefit plans providing group term life insurance to retiring employees. For municipal employees and certain School Department employees the City participates in Group Life Insurance Plan for Participating Local District (PLD). Teachers also participate in the Group Term Life Insurance Plan for State Employees and Teachers (SET). Both plans are a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan. MPERS issues a publicly available financial reports that are available at [www.maineopers.org](http://www.maineopers.org).

**Benefits Provided** - Under both the PLD and SET OPEB Plans, MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

**Contributions** - Premium rates for both the PLD and SET OPEB Plans are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims.

PLD OPEB Plan - Premiums total \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the City were \$12,225 for the year ended June 30, 2021.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the City were \$104,262 for the year ended June 30, 2021. Employers and employees are not required to contribute to the SET OPEB plan.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability for both the PLD and SET OPEB plans was measured as of June 30, 2020, and the net OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as that date. The City's proportion of the net OPEB liabilities was based on a projection of the City's long-term share of contributions to the PLD and SET OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan - At June 30, 2021, the City reported a liability of \$420,295 for its proportionate share of the net OPEB liability. At June 30, 2020, the City's proportion was 3.1859%.

SET OPEB Plan - At June 30, 2021, the City reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the City was \$928,551 as of June 30, 2021. At June 30, 2020, the City's proportion was 0.00%.

For the year ended June 30, 2021, the City recognized OPEB gain of \$49,144 for the PLD OPEB Plan. For the year ended June 30, 2021, the City recognized OPEB expense of \$104,262 and revenues of \$104,262 for support provided by the State related to the SET OPEB Plan. At June 30, 2021, the City reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB Plan.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED**

---

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 51,890	-
Changes of assumptions	-	255,780
Net difference between projected and actual earnings on OPEB plan investments	-	10,495
Changes in proportion and differences between City contributions and proportionate share of contributions	14,517	-
City contributions subsequent to the measurement date	12,225	-
<b>Total</b>	<b>\$ 78,632</b>	<b>266,275</b>

An amount of \$12,225 is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (53,385)
2023	(47,007)
2024	(19,536)
2025	(35,636)
2026	(44,304)

**Actuarial Assumptions** - The net OPEB liability in the June 30, 2020 actuarial valuations was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>PLD OPEB Plan</u>	<u>SET OPEB Plan</u>
Inflation	2.75%	2.75%
Salary increases	2.75% - 9.00%	2.75% - 14.50%
Investment rate of return	6.75%	6.75%

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED**

Mortality rates for each plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2020 valuations were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

The long-term expected rate of return on both PLD and SET OPEB plan investments was determined using a building-block method which best estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
U.S. government securities	10.0%	2.3%

**Discount Rate** - The rate used to measure the net OPEB liabilities for the PLD and SET OPEB plans was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - The following presents the City’s proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 6.75%, as well as what the City’s proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability	\$ 566,060	420,295	303,137

Sensitivity of the City’s proportionate share of the net SET OPEB Plan liability to the changes in the discount rate are not presented as the City does not have any liability related to this plan given that the SET OPEB Plan is 100% funded by contributors from the State of Maine.

**OPEB Plan Fiduciary Net Position** - Detailed information about both the PLD and SET OPEB Plan’s fiduciary net positions are available in a separately issued MPERS financial report.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MMEHT**

**Plan Description** - The City sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The City Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Benefits Provided** - MMEHT provides healthcare benefits for retirees and their dependents. City employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium.

*Employees Covered by Benefit Terms* – At January 1, 2020, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	29
Inactive employee entitled to but not yet receiving benefits	-
Active employees	253
Total	282

**Contributions** - Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the City makes no actual contributions.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The City’s total Health Plan OPEB liability of \$3,942,074 was measured as of January 1, 2021, and was determined by an actuarial valuation as of January 1, 2020.

*Changes in the Total Health Plan OPEB Liability*

	Total OPEB Liability
Balance at June 30, 2020	\$ 3,565,424
Changes for the year:	
Service cost	142,250
Interest	100,308
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	228,289
Benefit payments	(94,197)
Net changes	376,650
Balance at June 30, 2021	\$ 3,942,074

Change in assumptions reflects a change in the discount rate from 2.74% to 2.12%.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MMEHT, CONTINUED**

---

For the year ended June 30, 2021, the City recognized OPEB expense of \$184,702 related to the Health Plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	899,660
Changes of assumption or other inputs	514,026	-
City contributions subsequent to the measurement date	61,135	-
Total	\$ 575,161	899,660

\$61,135 is reported as deferred outflows of resources related to the Health Plan OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (57,856)
2023	(57,856)
2024	(57,856)
2025	(57,853)
2026	(92,556)
Thereafter	(61,657)

The total OPEB liability in the January 1, 2020 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% per annum
Salary increases	2.75% per annum
Discount rate	2.12% per annum
Healthcare cost trend rates	8.55% for 2020, decreasing to 3.28% for 2040
Retirees' share of the benefit related costs	5%-100% of projected health insurance premiums

Mortality rates for the Health Plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2020 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MMEHT, CONTINUED**

**Discount Rate** - The rate used to measure the total OPEB liability for the Health Plan was 2.12%. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

**Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate** - The following presents the City's total OPEB liability related to the Health Plan calculated using the discount rate of 2.12%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.12%) or 1 percentage-point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 4,574,909	3,942,074	3,429,596

**Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the City's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 3,368,162	3,942,074	4,673,170

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT**

**General Information about the OPEB Plan**

**Plan Description** - The City sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Benefits Provided** - MEABT provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT, CONTINUED**

*Employees Covered by Benefit Terms* – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	222
Inactive employee entitled to but not yet receiving benefits	-
Active employees	<u>492</u>
Total	<u><u>714</u></u>

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The City's total OPEB liability of \$9,478,636 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

*Changes in the Total OPEB Liability*

	Total OPEB Liability
Balance at June 30, 2020	\$ 9,417,358
Changes for the year:	
Service cost	89,729
Interest	325,843
Changes of benefit terms	(879,151)
Differences between expected and actual experience	75,776
Changes in assumptions or other inputs	847,089
Benefit payments	<u>(398,008)</u>
Net changes	<u>61,278</u>
Balance at June 30, 2021	\$ <u><u>9,478,636</u></u>

Change in assumptions reflects a change in the discount rate from 3.50% to 2.21%. Changes of benefit terms relate to the implementation of the Medicare Advantage plan.

For the year ended June 30, 2021, The City recognized OPEB gain of \$314,529. At June 30, 2021, The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ 857,695	-
Differences between expected and actual experience	64,951	-
City contributions subsequent to the measurement date	<u>328,244</u>	-
Total	<u><u>\$ 1,250,890</u></u>	<u><u>-</u></u>

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT, CONTINUED

\$328,244 is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 149,050
2023	149,050
2024	149,048
2025	211,823
2026	131,838
Thereafter	131,837

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2020 actuarial valuation for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	2.75% per year
Discount rate	2.21% per annum
Healthcare cost trend rates - Pre-Medicare	6.21% for 2021 grading over 19 years to 3.25%
Healthcare cost trend rates – Medicare	0.00% for 2021 grading over 19 years to 3.25%
Retirees’ share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

**Discount Rate** - The rate used to measure the total OPEB liability was 2.21% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the City’s total OPEB liability calculated using the discount rate of 2.21%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.21%) or 1 percentage-point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 11,125,536	9,478,636	8,161,948

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT, CONTINUED

---

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the City's total OPEB liability calculated using the healthcare cost trend rates, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

		1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$	8,063,489	9,478,636	11,277,220

---

DEFERRED COMPENSATION PLAN

---

The City of South Portland offers on a voluntary basis to all permanent employees working at least fifteen hours per week and covered by the City's Section 215 Agreement (Social Security), and who do not participate in the Maine Public Employees Retirement System Plan, the following options, with a City contribution: Internal Revenue Code Section 457, Deferred Compensation Plan or Internal Revenue Code Section 401(a), Defined Contribution Plan. In addition, employees who participate in the MPERS plan or 401(a) plans may also participate in the 457 Deferred Compensation Plan without a City contribution. The employees' accounts are not available until termination, retirement, death or an unforeseeable emergency. The City contributed approximately \$401,334 to the plans during the year ended June 30, 2021.

---

RISK MANAGEMENT

---

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions. During fiscal year 2021, the City was a member of the Maine Municipal Association Property and Casualty Risk Pool which provides auto, general liability, and property insurance, as well as the Maine Municipal Associations Workers' Compensation Fund. Members of the pools have joint and several liability. If the assets of the Pool are at any time actuarially determined to be insufficient to enable the Pool to discharge its legal liabilities and other obligations and to maintain actuarially sound reserves, the Pool has the power to make up the deficiency by the levy of a pro-rated assessment upon Pool Members for the amount needed to make up the deficiency. Management believes that no such deficiency exists at June 30, 2021. The City also maintains commercial insurance for other specific liabilities with deductibles from \$1,000 to \$25,000. There have been no changes in commercial coverage from the prior year and no settlements have exceeded insurance coverage in any of the past three years.

Prior to June 30, 1993, the City was partially self-insured with respect to workers' compensation insurance coverage and maintains a \$50,000 restricted deposit with the State of Maine for this program. Deductible amounts under excess workers' compensation insurance coverage range from \$250,000 to \$350,000 per claim with an aggregate deductible ranging from \$459,000 to \$1,650,000. The City is also self-insured with respect to unemployment benefits.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

---

**RISK MANAGEMENT, CONTINUED**

---

The following summarizes the claims activity with respect to the City's self-insurance programs during 2021:

	<u>Workers'</u> <u>Compensation</u>	<u>Unemployment</u>
Unpaid claims as of the beginning of year	\$ 5,630	-
Provision for current year events	-	-
Increase in provision for prior year events	17,659	22,216
Total incurred claims		
Payments:		
Claims attributable to current year	-	22,216
Claims attributable to prior year	18,660	-
Total payments		
<b>Unpaid claims, end of year</b>	<b>\$ 4,629</b>	<b>-</b>

The following summarizes the claims activity with respect to the City's self-insurance programs during 2020:

	<u>Workers'</u> <u>Compensation</u>	<u>Unemployment</u>
Unpaid claims as of the beginning of year	\$ 7,350	-
Provision for current year events	-	31,771
Increase in provision for prior year events	64,102	-
Total incurred claims		
Payments:		
Claims attributable to current year	-	31,771
Claims attributable to prior year	65,822	-
Total payments		
<b>Unpaid claims, end of year</b>	<b>\$ 5,630</b>	<b>-</b>

The estimate of unpaid claims is based on a review of actual claims by an independent third party.

---

**RESTATEMENT OF FUND BALANCE AND NET POSITION**

---

For the fiscal year ended June 30, 2021, the City has elected to implement Statement No. 84 of the Government Accounting Standards Board – *Fiduciary Activities*. As a result, on implementing GASB Statement No. 84, the City has restated beginning net position and fund balances have been restated as follows:

	<u>Special Revenue</u> <u>Funds</u>	<u>Governmental</u> <u>Activities</u>
Fund balance, as previously reported	\$ 5,777,567	110,375,522
Implementation of GASB 84	146,870	146,870
<b>Fund balance, as restated</b>	<b>\$ 5,924,437</b>	<b>110,522,392</b>

---

**SUBSEQUENT EVENT**

---

In July of 2021, the City issued a bond anticipation note (BAN) in the amount of \$25,000,000. This BAN is intended to provide interim financing for the Middle School Construction Project. The City expects to issue permanent financing through general obligation bonds in the spring of 2022.

**CITY OF SOUTH PORTLAND, MAINE**  
**Required Supplementary Information**

**Schedule of Changes in the City's Total Health Plan OPEB Liability and Related Ratios**  
Last 10 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 142,250	104,897	119,463	100,023
Interest	100,308	171,098	153,762	154,034
Changes of benefit terms	-	(74,909)	-	-
Differences between expected and actual experience	-	(1,188,949)	-	50,155
Changes of assumptions or other inputs	228,289	569,061	(392,360)	227,448
Benefit payments	(94,197)	(166,351)	(159,953)	(152,457)
Net change in total OPEB Liability	376,650	(585,153)	(279,088)	379,203
Total OPEB liability - beginning	3,565,424	4,150,577	4,429,665	4,050,462
<b>Total OPEB liability - ending</b>	<b>\$ 3,942,074</b>	<b>3,565,424</b>	<b>4,150,577</b>	<b>4,429,665</b>
Covered-employee payroll	\$ 14,486,458	14,486,458	12,670,169	12,670,169
Total OPEB liability as a percent of covered-employee payroll	27.2%	24.6%	32.8%	35.0%

\*Only four years of information available.

**CITY OF SOUTH PORTLAND, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of Changes in the School Department's Total Health Plan OPEB Liability and Related Ratios**  
Last 10 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 89,729	76,048	81,043
Interest	325,843	339,728	325,956
Changes of benefit terms	(879,151)	-	-
Differences between expected and actual experience	75,776	-	-
Changes of assumptions or other inputs	847,089	479,910	(376,640)
Benefit payments	(398,008)	(358,156)	(345,777)
Net change in total OPEB Liability	61,278	537,530	(315,418)
Total OPEB liability - beginning	9,417,358	8,879,828	9,195,246
<b>Total OPEB liability - ending</b>	<b>\$ 9,478,636</b>	<b>9,417,358</b>	<b>8,879,828</b>
Covered-employee payroll	\$ 21,874,185	23,347,539	22,722,666
Total OPEB liability as a percent of covered-employee payroll	43.3%	40.3%	39.1%

\*Only three years of information available.

**CITY OF SOUTH PORTLAND, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of City's Proportionate Share of the Net OPEB Liability**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)**  
Last 10 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>PLD Plan</b>				
City's proportion of the net OPEB liability	3.1859%	3.1896%	3.1390%	3.1749%
City's proportionate share of the net OPEB liability	\$ 420,295	682,504	634,111	530,896
City's covered payroll	13,408,609	13,675,811	12,667,956	12,293,702
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.13%	4.99%	5.01%	4.32%
Plan fiduciary net position as a percentage of the total OPEB liability	55.40%	43.18%	43.92%	47.42%
<b>SET Plan</b>				
City's proportion of the net OPEB liability	0.0000%	0.0000%	0.0000%	0.0000%
City's proportionate share of the net OPEB liability	-	-	-	-
State's proportionate share of the net OPEB liability associated with the City	928,551	890,785	893,199	852,965
<b>Total</b>	<b>\$ 928,551</b>	<b>890,785</b>	<b>893,199</b>	<b>852,965</b>
Plan fiduciary net position as a percentage of the total OPEB liability	49.51%	49.22%	48.04%	47.29%

\* Only four years of information available.

The amounts presented for each fiscal year were determined as of the prior fiscal year.

**Schedule of City OPEB Contributions**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)**

Last 10 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>PLD OPEB Plan</b>				
Contractually required contribution	\$ 12,225	10,976	11,681	11,850
Contributions in relation to the contractually required contribution	(12,225)	(10,976)	(11,681)	(11,850)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
City's covered payroll	\$ 14,937,614	13,408,609	13,675,811	12,667,956
Contributions as a percentage of covered payroll	0.08%	0.08%	0.09%	0.09%

\* Only four years of information available.

**CITY OF SOUTH PORTLAND, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of City's Proportionate Share of the Net Pension Liability**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)**  
 Last 10 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>PLD Pension Plan</u></b>							
City's proportion of the net pension liability	2.5828%	2.5616%	2.5212%	2.5383%	2.5640%	2.5958%	2.6531%
City's proportionate share of the net pension liability	\$ 10,261,907	7,829,928	6,899,904	10,392,557	13,623,357	8,281,849	4,082,632
City's covered payroll	13,408,609	13,675,811	12,667,956	12,293,702	11,567,444	10,562,181	9,928,201
City's proportionate share of net Pension liability as a percentage of its covered payroll	76.53%	57.25%	54.47%	84.54%	117.77%	78.41%	41.12%
Plan fiduciary net position as a percentage of the total pension liability	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
<b><u>SET Pension Plan</u></b>							
City's proportion of the net pension liability	0.079%	0.089%	0.0868%	0.1057%	0.0960%	0.0951%	0.0684%
City's proportionate share of the net pension liability	\$ 1,289,610	1,304,981	1,171,829	1,534,939	1,695,765	1,284,556	739,151
State's proportionate share of the net pension liability associated with the City	32,514,810	28,353,847	26,564,893	28,198,719	33,940,464	25,808,454	20,178,883
<b>Total</b>	<b>\$ 33,804,420</b>	<b>\$ 29,658,828</b>	<b>27,736,722</b>	<b>29,733,658</b>	<b>35,636,229</b>	<b>27,093,010</b>	<b>20,918,034</b>
City's covered payroll	\$ 26,774,977	25,636,843	25,252,193	24,703,124	23,686,664	22,885,971	21,703,551
City's proportion share of the net pension liability as a percentage of its covered payroll	4.82%	5.09%	4.64%	6.21%	7.16%	5.61%	3.41%
Plan fiduciary net position as a percentage of the total pension liability	81.03%	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

\* Only seven years of information available.

The amounts presented for each fiscal year were determined as of the prior fiscal year.

**CITY OF SOUTH PORTLAND, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of City Pension Contributions**  
**Maine Public Employees Retirement System Consolidated Plan (PLD)**  
 Last 10 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>PLD Plan</b>							
Contractually required contribution	\$ 1,732,557	1,551,737	1,565,840	1,398,549	1,300,791	1,197,620	1,027,150
Contributions in relation to the contractually required contribution	(1,732,557)	(1,551,737)	(1,565,840)	(1,398,549)	(1,300,791)	(1,197,620)	(1,027,150)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SET Plan</b>							
Contractually required contribution	\$ 1,137,004	1,113,504	1,017,746	1,002,500	829,843	795,989	606,477
Contributions in relation to the contractually required contribution	(1,137,004)	(1,113,504)	(1,017,746)	(1,002,500)	(829,843)	(795,989)	(606,477)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
City's covered payroll	\$ 14,937,614	13,408,609	13,675,811	12,667,956	12,293,702	11,567,444	10,562,181
Contributions as a percentage of covered payroll	11.60%	11.57%	11.45%	11.04%	10.58%	10.35%	9.72%
City's covered payroll	\$ 27,347,869	26,774,977	25,636,843	25,252,193	24,703,124	23,686,664	22,885,971
Contributions as a percentage of covered payroll	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%

\* Only seven years of information available.

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Required Supplementary Information**

**Net Pension Liability**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate - PLD	6.75%	6.75%	6.75%	6.875%	7.125%	7.250%	7.25%
Discount rate - SET	6.75%	6.75%	6.75%	6.875%	7.125%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75% + merit	2.75-9.00%	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.75% + merit	2.75-14.50%	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - PLD	1.91%	1.91%	1.91%	2.20%	2.55%	3.12%	3.12%
Cost of living increases - SET	2.20%	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

**Net OPEB Liability**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - SET	6.75%	6.75%	6.75%	6.875%
Discount rate - PLD	6.75%	4.98%	5.13%	5.41%

**Total OPEB Liability**

**Changes of Benefit Terms** - Change for MEABT plan in 2021 due to addition of Medicare Advantage Plan.

**Changes of Assumptions** - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - MMEHT Health Plan	2.12%	4.10%	3.44%	3.78%
Discount rate - MEABT Health Plan	2.21%	3.87%	3.58%	N/A

Additionally, the valuation method for the Town Health Plan was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

**Other Information** - There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

*\* This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

## **GENERAL FUND**

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays general operating expenditures, fixed charges and capital improvement costs which are not paid through other funds.

*This page intentionally left blank.*

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund**  
**Comparative Balance Sheets**  
**June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,462,182	3,762,556
Investments	35,343,306	27,723,657
Due from other governments	1,725,937	1,013,331
Receivables, net of allowance of \$1,449,393 and \$1,231,155	359,557	367,075
Taxes receivable	689,677	1,152,817
Tax liens and tax acquired property	187,597	186,537
Prepaid expenditures	-	100,557
Interfund loans receivable	745,153	1,693,838
Restricted assets, cash	50,000	50,000
<b>Total assets</b>	<b>\$ 41,563,409</b>	<b>36,050,368</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	3,286,989	3,288,550
Accrued liabilities	1,817,174	1,217,705
Accrued teachers' summer salaries and benefits	4,883,721	4,765,370
<b>Total liabilities</b>	<b>9,987,884</b>	<b>9,271,625</b>
Deferred inflows of resources:		
Unavailable revenue - property taxes	658,000	678,500
<b>Total deferred inflows of resources</b>	<b>658,000</b>	<b>678,500</b>
Fund balances:		
Nonspendable	-	100,557
Restricted	4,930,223	3,212,321
Committed	6,460,667	5,928,768
Assigned	3,392,636	3,949,069
Unassigned	16,133,999	12,909,528
<b>Total fund balances</b>	<b>30,917,525</b>	<b>26,100,243</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 41,563,409</b>	<b>36,050,368</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2021**

	Budget	Actual	Variance positive (negative)
<b>Revenues:</b>			
<b>Taxes:</b>			
Property	\$ 68,061,640	69,176,016	1,114,376
Excise	6,036,350	7,064,080	1,027,730
Interest and penalties	85,000	102,335	17,335
Payments in lieu of taxes	286,515	293,655	7,140
<b>Total taxes</b>	<b>74,469,505</b>	<b>76,636,086</b>	<b>2,166,581</b>
<b>Intergovernmental:</b>			
State revenue sharing	1,625,000	2,592,482	967,482
State BETE Revenue	2,304,000	2,027,429	(276,571)
Homestead reimbursement	1,615,000	1,610,759	(4,241)
State education subsidy	6,748,483	6,718,848	(29,635)
State agency client	20,000	58,320	38,320
MaineCare	40,000	43,389	3,389
FTA Section 5307	959,375	829,573	(129,802)
FTA Cares Act	120,000	122,059	2,059
General assistance	437,600	407,832	(29,768)
Other State revenue	140,240	153,796	13,556
<b>Total intergovernmental</b>	<b>14,009,698</b>	<b>14,564,487</b>	<b>554,789</b>
<b>Licenses, permits, fees, and fines:</b>			
Cable franchise fee	100,000	100,000	-
City clerk	188,950	216,041	27,091
Planning	30,000	92,631	62,631
Police	66,500	73,115	6,615
Code enforcement	489,500	916,100	426,600
Other	22,200	4,522	(17,678)
<b>Total licenses, permits, fees, and fines</b>	<b>897,150</b>	<b>1,402,409</b>	<b>505,259</b>
<b>Charges for services:</b>			
Rent and leases	112,000	202,475	90,475
Finance and information technology	90,700	153,448	62,748
Fire	966,500	1,200,794	234,294
Public works - transfer facility	101,500	169,506	68,006
Culture, Parks, and recreation	248,900	139,955	(108,945)
Bus service	160,000	119,618	(40,382)
Other	-	1,880	1,880
Education	202,500	136,500	(66,000)
<b>Total charges for services</b>	<b>1,882,100</b>	<b>2,124,176</b>	<b>242,076</b>
<b>Unclassified:</b>			
City clerk	20,000	21,696	1,696
Finance	12,000	17,143	5,143
Police and fire	13,000	27,764	14,764
Planning and code enforcement	7,000	7,187	187
Public works	18,500	17,532	(968)
Sale of surplus property	-	284,701	284,701
Other	4,300	4,310	10
Education	-	17,817	17,817
<b>Total unclassified</b>	<b>74,800</b>	<b>398,150</b>	<b>323,350</b>
<b>Interest earned</b>	<b>300,000</b>	<b>627,875</b>	<b>327,875</b>
<b>Total revenues</b>	<b>91,633,253</b>	<b>95,753,183</b>	<b>4,119,930</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2021**

	Budget	Actual	Variance positive (negative)
Expenditures:			
Current:			
General government:			
City council	\$ 223,491	183,575	39,916
Executive	303,881	277,184	26,697
City clerk	298,875	243,884	54,991
Corporation council	221,463	279,419	(57,956)
Finance	1,122,185	1,093,112	29,073
Information technology	480,966	484,082	(3,116)
Planning	339,882	288,123	51,759
Sustainability	185,978	163,644	22,334
Human resources	391,574	367,263	24,311
City building	694,046	737,222	(43,176)
Citywide insurance and benefit costs	8,152,255	7,695,388	456,867
Total general government	12,414,596	11,812,896	601,700
Public safety:			
Police department	5,184,338	4,866,658	317,680
Fire department	5,730,893	5,646,708	84,185
Communications	1,150,781	1,064,117	86,664
Code enforcement	547,892	475,163	72,729
Civil service	18,020	8,672	9,348
Total public safety	12,631,924	12,061,318	570,606
Public works:			
Administration	249,779	241,231	8,548
Streets and sidewalks	2,907,720	2,558,548	349,172
Rubbish disposal	1,523,340	1,537,388	(14,048)
Public works garage	296,614	273,985	22,629
Transfer facility	317,392	279,136	38,256
Total public works	5,294,845	4,890,288	404,557
Culture:			
Main library	729,162	645,197	83,965
Branch library	65,163	12,750	52,413
Total culture	794,325	657,947	136,378
Parks and recreation:			
Administration	182,676	132,995	49,681
Parks	1,353,563	1,261,171	92,392
Pool	417,268	334,719	82,549
Recreation	812,096	692,835	119,261
Total parks and recreation	2,765,603	2,421,720	343,883
Total culture, parks, and recreation	3,559,928	3,079,667	480,261
Transportation and waterfront:			
Bus service	1,591,810	1,346,892	244,918
Waterfront	57,557	54,000	3,557
Total transportation and waterfront	1,649,367	1,400,892	248,475

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2021**

	Budget	Actual	Variance positive (negative)
Expenditures, continued:			
Current, continued:			
Health, welfare, and social services:			
Welfare:			
Administration	\$ 144,860	144,189	671
General assistance	656,000	591,684	64,316
Total welfare	800,860	735,873	64,987
Health	19,000	-	19,000
Total health, welfare, and social services	819,860	735,873	83,987
Intergovernmental - County tax	3,084,423	3,084,423	-
Other:			
Contingency and abatement reserve	112,000	46,847	65,153
Municipal facilities	27,700	270	27,430
Total other	139,700	47,117	92,583
Education	53,104,055	50,153,045	2,951,010
Debt service (excluding education):			
Administration (Includes bond issuance costs)	1,000	-	1,000
Principal	938,342	937,885	457
Interest	495,919	523,095	(27,176)
Total debt service	1,435,261	1,460,980	(25,719)
Total expenditures	94,133,959	88,726,499	5,407,460
Excess (deficiency) of revenues over (under) expenditures	(2,500,706)	7,026,684	9,527,390
Other financing sources (uses):			
Budgeted use of surplus - School	500,000	-	(500,000)
Tax rate stabilization fund	2,075,000	(225,000)	(2,300,000)
Transfers in - City	177,500	177,500	-
Transfers in - School	523,170	529,837	6,667
Transfers out - City	(299,964)	(548,927)	(248,963)
Transfers out - School	(475,000)	(525,000)	(50,000)
Total other financing sources (uses)	2,500,706	(591,590)	(3,092,296)
Net change in fund balance - budgetary basis	-	6,435,094	6,435,094
Reconciliation to GAAP basis:			
Change in encumbrances - City		24,916	
Change in encumbrances - School		(2,922)	
Change in unbudgeted teacher summer benefits		(26,188)	
Change in reserves		(1,613,618)	
Net change in fund balance - GAAP basis		4,817,282	
Fund balance, beginning of year		26,100,243	
<b>Fund balance, end of year</b>	<b>\$</b>	<b>30,917,525</b>	

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund - Education**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2021**

	Budget	Actual	Variance positive (negative)
<b>Revenues:</b>			
Local assessment	\$ 45,544,902	45,544,902	-
State education subsidy	6,748,483	6,718,848	(29,635)
State agency client	20,000	58,320	38,320
MaineCare	40,000	43,389	3,389
Charges for services	202,500	136,500	(66,000)
Other	-	17,817	17,817
<b>Total revenues</b>	<b>52,555,885</b>	<b>52,519,776</b>	<b>(36,109)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Brown Elementary	2,144,880	2,094,933	49,947
Dyer Elementary	1,767,642	1,747,678	19,964
Kaler Elementary	1,926,899	1,935,465	(8,566)
Skillin Elementary	2,946,539	2,829,555	116,984
Small Elementary	2,212,282	2,013,004	199,278
Mahoney Middle School	2,856,930	2,780,138	76,792
Memorial Middle School	3,261,920	3,277,778	(15,858)
South Portland High School	7,113,795	7,054,873	58,922
K-12 instrumental music	103,144	85,792	17,352
6-12 athletics	951,384	685,039	266,345
Special education	10,245,487	9,448,206	797,281
Health	613,502	570,306	43,196
Board of Education	353,683	220,463	133,220
Superintendent of Schools	567,816	533,706	34,110
Assistant Superintendent	2,141,550	1,881,493	260,057
Curriculum	724,679	525,636	199,043
Technology	887,705	973,450	(85,745)
Business office	899,615	848,548	51,067
Operations/maintenance	4,577,611	4,281,681	295,930
Transportation	2,427,770	1,986,079	441,691
<b>Debt service:</b>			
Principal	3,410,433	3,410,433	-
Interest	968,789	968,789	-
<b>Total expenditures</b>	<b>53,104,055</b>	<b>50,153,045</b>	<b>2,951,010</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(548,170)</b>	<b>2,366,731</b>	<b>2,914,901</b>
<b>Other financing sources (uses):</b>			
Transfers in	523,170	529,837	6,667
Transfers out	(475,000)	(525,000)	(50,000)
Budgeted use of surplus	500,000	-	(500,000)
<b>Total other financing sources (uses)</b>	<b>548,170</b>	<b>4,837</b>	<b>(543,333)</b>
<b>Net change in fund balances - budgetary basis</b>	<b>-</b>	<b>2,371,568</b>	<b>2,371,568</b>
<b>Reconciliation to GAAP basis:</b>			
Change in encumbrances		(2,922)	
Change in unbudgeted teacher summer benefits		(26,188)	
Change in reserves		(725,113)	
<b>Net change in fund balance - GAAP basis</b>		<b>1,617,345</b>	
<b>Fund balance, beginning of year</b>		<b>3,312,878</b>	
<b>Fund balance, end of year</b>	<b>\$</b>	<b>4,930,223</b>	

**CITY OF SOUTH PORTLAND, MAINE**  
**Reserves - General Fund**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

		Fund balance beginning of year	Revenues		Expenditures	Other financing sources (uses) Transfers	Fund balance end of year
			Other	Investment earnings (loss)			
<u>City committed reserves:</u>							
1801	Equipment replacement	\$ 217,754	-	1,661	22,291	27,660	224,784
1803	Unemployment - City	81,173	-	614	22,216	2,500	62,071
1804	Self-Insurance - City	144,418	313,083	1,262	297,915	12,500	173,348
1805	Municipal facilities	122,367	-	479	-	(68,248)	54,598
1806	Safety reserve	191,968	63,000	1,676	17,465	-	239,179
1807	Computerization project	101,494	25,192	746	47,475	35,000	114,957
1809	Litigation - legal	200,521	559	1,067	118,849	-	83,298
1822	Communication equipment - police	6,412	-	51	-	10,000	16,463
1824	Body armor - police	10,685	5,502	41	-	5,000	21,228
1830	Fire	437,964	84,708	4,263	-	306,250	833,185
1834	Traffic improvements	106,790	-	853	-	-	107,643
1836	Public works equipment	28,583	6,040	245	-	-	34,868
1840	Snow removal	413,445	-	3,301	-	-	416,746
1842	Library	3,890	-	9	-	-	3,899
1844	Parks and Recreation equipment	3,986	3,621	18	-	-	7,625
1845	Cummings Road sewer	224,339	-	1,791	-	-	226,130
1847	Bus	288,562	7,683	2,046	37,662	-	260,629
1850	Senior Property Tax Program	39,983	-	94	-	-	40,077
1858	Climate Action Plan	29,779	-	70	196	-	29,653
1861	Tax stabilization	3,177,096	-	25,488	-	225,000	3,427,584
1864	Call company retirement	45,348	-	107	-	-	45,455
1869	Energy efficient	207	-	1	-	-	208
1871	Solid waste	36,746	-	293	-	-	37,039
1872	Municipal buildings & land acq.	15,258	102,421	56	994,021	-	(876,286)
Subtotal City committed reserves		5,928,768	611,809	46,232	1,558,090	555,662	5,584,381
<u>City assigned reserves:</u>							
1828	Vehicle replacement - police	(105,476)	79,184	-	33,401	59,693	-
1867	Phone system	103,700	-	263	13,244	14,256	104,975
1868	Compensated absences	1,529,319	-	3,510	-	(150,000)	1,382,829
1899	Investment unrealized gain	1,338,010	-	(540,003)	-	-	798,007
2172	Outside OT - Police	65,211	183,094	-	157,059	-	91,246
2173	Outside OT - Fire	19,840	-	-	6,527	-	13,313
2176	Fuel distribution	121,821	16,116	-	-	-	137,937
Subtotal City assigned reserves		3,072,425	278,394	(536,230)	210,231	(76,051)	2,528,307
Total City reserves		9,001,193	890,203	(489,998)	1,768,321	479,611	8,112,688
<u>School reserves:</u>							
0202	Restricted school reserve funds:						
	School consolidation	305,797	-	2,435	-	(232,551)	75,681
	School tech upgrade	130,363	-	2,057	-	(121,342)	11,078
	Unemployment - School	59,593	-	474	85,153	5,000	(20,086)
	School bus	84,988	-	676	-	(58,800)	26,864
	School elementary	2,581	-	-	-	-	2,581
	Self-insurance - School	9,043	-	-	1,325	-	7,718
	Musical program	78,910	-	-	-	-	78,910
	Maintenance	267,576	63,412	673	263,944	-	67,717
	Adult education	4,147	-	-	-	-	4,147
	Student educational support	24,839	-	-	6,400	-	18,439
	Laptop repair	10,472	10,040	-	30,606	-	(10,094)
	Special education	150,000	-	-	-	-	150,000
0456	School facility	17,863	-	137	9,896	-	8,104
Total School reserves		1,146,172	73,452	6,452	397,324	(407,693)	421,059
<b>Total reserves</b>		<b>\$ 10,147,365</b>	<b>963,655</b>	<b>(483,546)</b>	<b>2,165,645</b>	<b>71,918</b>	<b>8,533,747</b>

## **TIF FUNDS**

*This page intentionally left blank.*

**CITY OF SOUTH PORTLAND, MAINE**  
**TIF Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

	2501 Fairchild Semiconductor	2502 Texas Instruments	2503 One Wallace Avenue	2504 Cummings Road	2505 Long Creek	2507 Affordable Housing	2508 Jared	2509 Hannaford	2510 Downtown	2511 Transit	Total
Revenues:											
Taxes	\$ 50,212	1,480,105	84,558	-	-	611,051	24,559	174,915	205,726	10,307	2,641,433
State BETE revenue	1,109,986	-	-	-	-	-	-	-	-	-	1,109,986
Investment earnings	22,839	6,227	7,080	2,191	5,413	2,789	655	4,574	5,127	671	57,566
<b>Total revenues</b>	<b>1,183,037</b>	<b>1,486,332</b>	<b>91,638</b>	<b>2,191</b>	<b>5,413</b>	<b>613,840</b>	<b>25,214</b>	<b>179,489</b>	<b>210,853</b>	<b>10,978</b>	<b>3,808,985</b>
Expenditures:											
Current:											
General government	159,610	73,189	70,364	68,215	55,957	192	5,785	622	622	-	434,556
Public works	-	12,882	-	3,067	1,534	-	307	-	-	-	17,790
Other	10,042	1,480,105	-	-	-	289,255	-	-	-	-	1,779,402
<b>Total expenditures</b>	<b>169,652</b>	<b>1,566,176</b>	<b>70,364</b>	<b>71,282</b>	<b>57,491</b>	<b>289,447</b>	<b>6,092</b>	<b>622</b>	<b>622</b>	<b>-</b>	<b>2,231,748</b>
Excess (deficiency) of revenues over (under) expenditures	1,013,385	(79,844)	21,274	(69,091)	(52,078)	324,393	19,122	178,867	210,231	10,978	1,577,237
Other financing sources (uses):											
Transfers out	(139,074)	(6,000)	(24,000)	-	-	(343,028)	-	-	-	(18,000)	(530,102)
<b>Total other financing sources (uses)</b>	<b>(139,074)</b>	<b>(6,000)</b>	<b>(24,000)</b>	<b>-</b>	<b>-</b>	<b>(343,028)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,000)</b>	<b>(530,102)</b>
Net change in fund balances	874,311	(85,844)	(2,726)	(69,091)	(52,078)	(18,635)	19,122	178,867	210,231	(7,022)	1,047,135
Fund balances, beginning of year	2,439,569	1,320,870	882,815	286,267	712,111	455,785	83,174	561,371	628,663	99,196	7,469,821
<b>Fund balances, end of year</b>	<b>\$ 3,313,880</b>	<b>1,235,026</b>	<b>880,089</b>	<b>217,176</b>	<b>660,033</b>	<b>437,150</b>	<b>102,296</b>	<b>740,238</b>	<b>838,894</b>	<b>92,174</b>	<b>8,516,956</b>

## **CAPITAL PROJECTS FUNDS**

*This page intentionally left blank.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Capital Project Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

	Fund balance (deficit) beginning of year	Revenues			Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year
		Other	Intergovernmental	Investment earnings		Issuance of debt	Transfers	
City capital projects:								
4011 Paving	\$ 217,687	-	-	788	148,606	-	-	69,869
4012 Bug Light Park	18,587	128	-	-	-	-	-	18,715
4018 Chlorination/dechlorinate	17,227	-	-	-	-	-	-	17,227
4045 City FY 03 projects	132	-	-	-	-	-	-	132
4059 City Facilities	164,565	-	-	-	10,058	-	-	154,507
4061 Library CIP	89,000	-	-	-	-	-	-	89,000
4063 Police CIP	308,124	-	-	354	252,321	300,000	-	356,157
4064 Fire CIP	536,341	-	-	487	373,612	700,000	-	863,216
4072 Public works CIP	3,149,413	-	154,434	547	1,663,572	500,000	-	2,140,822
4077 Parks and recreation CIP	617,482	57,165	-	-	85,904	-	115,948	704,691
4079 Municipal services facility	254,237	-	-	-	149,380	-	-	104,857
4080 Bus CIP	123,766	-	-	-	-	-	-	123,766
4081 Waterfront CIP	12,990	-	-	-	-	-	-	12,990
4151 Municipal projects CIP	173,091	-	-	-	14,074	-	-	159,017
4155 Information technology CIP	272,604	-	-	-	109,875	-	-	162,729
4156 Planning CIP	753,132	18,000	-	-	292,162	-	18,000	496,970
4157 Sustainability CIP	66,065	-	-	-	20,446	-	-	45,619
4164 Cash Corner Fire Station	(164,208)	-	-	5,360	5,075,644	6,080,187	-	845,695
<b>Total City capital projects</b>	<b>6,610,235</b>	<b>75,293</b>	<b>154,434</b>	<b>7,536</b>	<b>8,195,654</b>	<b>7,580,187</b>	<b>133,948</b>	<b>6,365,979</b>
School capital projects:								
0300 Middle School Project	(1,280,718)	-	-	-	3,982,141	-	-	(5,262,859)
0301 School FY 02 projects	(10,794)	-	-	-	-	-	-	(10,794)
0303 SPS construction/renovation	7,870	-	-	10	7,880	-	-	-
0304 Facilities/Bus Garage	(22,880)	-	-	1,941	2,006,739	1,692,904	354,177	19,403
0400 School FY 03 projects	17,107	-	-	137	11,178	-	-	6,066
0401 School FY 04 projects	81,352	-	-	623	4,096	-	-	77,879
0402 School FY 01 projects	7,080	-	-	57	-	-	-	7,137
0403 School FY 05 projects	42,549	-	-	291	21,983	-	-	20,857
0404 School FY 07 projects	2,334	-	-	-	-	-	-	2,334
0405 School FY 10 projects	121,501	-	-	125	-	-	(121,626)	-
0455 School FY 08 projects	7,336	-	-	-	-	-	-	7,336
<b>Total School capital projects</b>	<b>(1,027,263)</b>	<b>-</b>	<b>-</b>	<b>3,184</b>	<b>6,034,017</b>	<b>1,692,904</b>	<b>232,551</b>	<b>(5,132,641)</b>
<b>Total capital projects</b>	<b>\$ 5,582,972</b>	<b>75,293</b>	<b>154,434</b>	<b>10,720</b>	<b>14,229,671</b>	<b>9,273,091</b>	<b>366,499</b>	<b>1,233,338</b>

**ALL OTHER GOVERNMENTAL FUNDS**

*This page intentionally left blank.*

**CITY OF SOUTH PORTLAND, MAINE**  
**All Other Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	3,914,598	23	3,914,621
Investments	\$ 45,584	365,139	410,723
Due from other governments	2,287,507	-	2,287,507
Accounts receivable, net of allowance of \$3,445	80,385	-	80,385
Loans receivable	30,000	-	30,000
Inventory	46,316	-	46,316
<b>Total assets</b>	<b>\$ 6,404,390</b>	<b>365,162</b>	<b>6,769,552</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	239,916	-	239,916
Accrued liabilities	71,423	-	71,423
Interfund loans payable	816,923	-	816,923
Accrued teachers' summer salaries	330,260	-	330,260
Total liabilities	1,458,522	-	1,458,522
Fund balances:			
Nonspendable	-	193,519	193,519
Restricted	2,097,298	171,643	2,268,941
Committed	3,047,830	-	3,047,830
Unassigned	(199,260)	-	(199,260)
Total fund balances	4,945,868	365,162	5,311,030
<b>Total liabilities and fund balances</b>	<b>\$ 6,404,390</b>	<b>365,162</b>	<b>6,769,552</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**All Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Taxes	\$ 25,000	-	25,000
Intergovernmental	11,439,711	-	11,439,711
Charges for services	1,250,804	-	1,250,804
Investment income (loss)	(7,569)	1,505	(6,064)
Other	469,344	-	469,344
Total revenues	13,177,290	1,505	13,178,795
Expenditures:			
General government	2,643,086	-	2,643,086
Public safety	1,018,890	-	1,018,890
Public works	345,006	-	345,006
Culture and recreation	832,645	-	832,645
Transportation and waterfront	31,213	-	31,213
Education	8,207,487	-	8,207,487
School lunch program	1,640,669	-	1,640,669
Other	-	1,959	1,959
Total expenditures	14,718,996	1,959	14,720,955
Excess (deficiency) of revenues over (under) expenditures	(1,541,706)	(454)	(1,542,160)
Other financing sources (uses):			
Transfers in	563,137	-	563,137
Total other financing sources (uses)	563,137	-	563,137
Net change in fund balances	(978,569)	(454)	(979,023)
Fund balances, beginning of year, as restated	5,924,437	365,616	6,290,053
<b>Fund balances, end of year</b>	<b>\$ 4,945,868</b>	<b>365,162</b>	<b>5,311,030</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

Nonmajor special revenue funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

*This page intentionally left blank.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2021**

	City Special Revenues Fund	School Grant Funds	School Adult Education	Student Activity Funds	School Lunch Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>						
Cash and cash equivalents	3,772,849	-	9,138	132,611	-	3,914,598
Investments	\$ 45,584	-	-	-	-	45,584
Due from other governments	830,934	1,404,685	-	-	51,888	2,287,507
Accounts receivable, net of allowance of \$3,445	75,349	4,528	-	-	508	80,385
Loans receivable	30,000	-	-	-	-	30,000
Inventory	-	-	-	-	46,316	46,316
<b>Total assets</b>	<b>\$ 4,754,716</b>	<b>1,409,213</b>	<b>9,138</b>	<b>132,611</b>	<b>98,712</b>	<b>6,404,390</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	125,292	100,643	468	-	13,513	239,916
Accrued liabilities	62,458	111	1,126	-	7,728	71,423
Interfund loans payable	-	688,311	-	-	128,612	816,923
Accrued teachers' summer salaries	-	330,260	-	-	-	330,260
<b>Total liabilities</b>	<b>187,750</b>	<b>1,119,325</b>	<b>1,594</b>	<b>-</b>	<b>149,853</b>	<b>1,458,522</b>
Fund balances:						
Restricted	1,734,974	354,780	7,544	-	-	2,097,298
Committed	2,915,219	-	-	132,611	-	3,047,830
Unassigned	(83,227)	(64,892)	-	-	(51,141)	(199,260)
<b>Total fund balances (deficit)</b>	<b>4,566,966</b>	<b>289,888</b>	<b>7,544</b>	<b>132,611</b>	<b>(51,141)</b>	<b>4,945,868</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,754,716</b>	<b>1,409,213</b>	<b>9,138</b>	<b>132,611</b>	<b>98,712</b>	<b>6,404,390</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

	City Special Revenues Funds	School Grant Funds	School Adult Education	Student Activity Funds	School Lunch Fund	Total Nonmajor Special Revenue Funds
Revenues:						
Taxes	\$ -	-	25,000	-	-	25,000
Intergovernmental	2,473,868	7,949,653	11,462	-	1,004,728	11,439,711
Charges for services	1,210,007	-	-	30,724	10,073	1,250,804
Investment income (loss)	(7,569)	-	-	-	-	(7,569)
Other	284,220	130,820	-	54,304	-	469,344
Total revenues	3,960,526	8,080,473	36,462	85,028	1,014,801	13,177,290
Expenditures:						
Current:						
General government	2,643,086	-	-	-	-	2,643,086
Public safety	1,018,890	-	-	-	-	1,018,890
Public works	345,006	-	-	-	-	345,006
Culture and recreation	832,645	-	-	-	-	832,645
Transportation and waterfront	31,213	-	-	-	-	31,213
Education	-	8,072,157	36,043	99,287	-	8,207,487
School lunch program	-	-	-	-	1,640,669	1,640,669
Total expenditures	4,870,840	8,072,157	36,043	99,287	1,640,669	14,718,996
Excess (deficiency) of revenues over (under) expenditures	(910,314)	8,316	419	(14,259)	(625,868)	(1,541,706)
Other financing sources (uses):						
Transfers in (out)	43,004	50,133	-	-	470,000	563,137
Total other financing sources and (uses)	43,004	50,133	-	-	470,000	563,137
Net change in fund balances	(867,310)	58,449	419	(14,259)	(155,868)	(978,569)
Fund balances, beginning of year, as restated	5,434,276	231,439	7,125	146,870	104,727	5,924,437
<b>Fund balances (deficit), end of year</b>	<b>\$ 4,566,966</b>	<b>289,888</b>	<b>7,544</b>	<b>132,611</b>	<b>(51,141)</b>	<b>4,945,868</b>

## **NONMAJOR PERMANENT FUNDS**

Nonmajor permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

*This page intentionally left blank.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Balance Sheet**  
**June 30, 2021**

		7001	7002	7003	7004	7006	7007	7008	7009	
		Lillian Anderson Bequest	Lois V. Whitten Bequest	Reta Nappi Bequest	Virginia Boyd Bequest	Sandra Coolbroth Trust	Callahan Trust	Virginia Lewis Bequest	W.P. Adams Maintenance Liberty Ship Memorial	Total
<b>ASSETS</b>										
Cash and cash equivalents	\$	-	23	-	-	-	-	-	-	23
Investments		30,996	(4)	3,106	4,217	102,863	141,629	49,535	32,797	365,139
<b>Total assets</b>	<b>\$</b>	<b>30,996</b>	<b>19</b>	<b>3,106</b>	<b>4,217</b>	<b>102,863</b>	<b>141,629</b>	<b>49,535</b>	<b>32,797</b>	<b>365,162</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Interfund loans payable		-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:										
Nonspendable principal		16,406	-	1,566	3,150	52,238	70,502	24,657	25,000	193,519
Restricted		14,590	19	1,540	1,067	50,625	71,127	24,878	7,797	171,643
<b>Total fund balances</b>		<b>30,996</b>	<b>19</b>	<b>3,106</b>	<b>4,217</b>	<b>102,863</b>	<b>141,629</b>	<b>49,535</b>	<b>32,797</b>	<b>365,162</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>30,996</b>	<b>19</b>	<b>3,106</b>	<b>4,217</b>	<b>102,863</b>	<b>141,629</b>	<b>49,535</b>	<b>32,797</b>	<b>365,162</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

	7001	7002	7003	7004	7006	7007	7008	7009	Total
	Lillian Anderson Bequest	Lois V. Whitten Bequest	Reta Nappi Bequest	Virginia Boyd Bequest	Sandra Coolbroth Trust	Callahan Trust	Virginia Lewis Bequest	W.P. Adams Maintenance Liberty Ship Memorial	
Revenues:									
Investment income									
Interest income	\$ 991	24	99	140	3,366	4,555	1,593	1,193	11,961
Unrealized gain/(loss)	(877)	(4)	(88)	(119)	(3,041)	(4,007)	(1,401)	(919)	(10,456)
<b>Total revenues</b>	<b>114</b>	<b>20</b>	<b>11</b>	<b>21</b>	<b>325</b>	<b>548</b>	<b>192</b>	<b>274</b>	<b>1,505</b>
Expenditures:									
Other	162	24	16	22	548	744	260	183	1,959
<b>Total expenditures</b>	<b>162</b>	<b>24</b>	<b>16</b>	<b>22</b>	<b>548</b>	<b>744</b>	<b>260</b>	<b>183</b>	<b>1,959</b>
Net change in fund balances	(48)	(4)	(5)	(1)	(223)	(196)	(68)	91	(454)
Fund balances, beginning of year	31,044	23	3,111	4,218	103,086	141,825	49,603	32,706	365,616
<b>Fund balances, end of year</b>	<b>\$ 30,996</b>	<b>19</b>	<b>3,106</b>	<b>4,217</b>	<b>102,863</b>	<b>141,629</b>	<b>49,535</b>	<b>32,797</b>	<b>365,162</b>

**PROPRIETARY FUND**

*This page intentionally left blank.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Proprietary Fund**  
**Schedule of Revenues, Expenses, and Changes in Net Position -**  
**Budget and Actual**  
**For the year ended June 30, 2021**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services	\$ 6,304,196	6,304,196	6,210,998	(93,198)
Interest and penalties	-	-	238	238
Licenses	69,202	69,202	56,234	(12,968)
Other	-	-	1,290	1,290
Total operating revenues	6,373,398	6,373,398	6,268,760	(104,638)
<b>Operating expenses:</b>				
Administration	182,659	182,659	178,382	4,277
Treatment plant	1,113,357	1,113,357	1,119,275	(5,918)
Pump stations	609,462	609,462	483,192	126,270
Billing	212,209	212,209	200,879	11,330
Sewer maintenance	898,347	898,347	842,997	55,350
Engineering	268,047	268,047	203,536	64,511
Debt service	95,641	95,641	95,639	2
Compliance	108,882	108,882	97,903	10,979
Sludge disposal	401,744	401,744	334,435	67,309
Insurance	970,186	970,186	824,751	145,435
Total operating expenses	4,860,534	4,860,534	4,380,989	479,545
Operating income	1,512,864	1,512,864	1,887,771	374,907
<b>Nonoperating revenue (expense):</b>				
Interest revenue	-	-	2,065	-
Equipment reserve	(1,512,000)	(1,512,000)	(1,512,000)	-
Total nonoperating expenses	(1,512,000)	(1,512,000)	(1,509,935)	-
Income before transfers	864	864	377,836	376,972
<b>Other financing uses:</b>				
Transfers out	(864)	(864)	(864)	-
Total other financing uses	(864)	(864)	(864)	-
Change in net position - budgetary basis	-	-	376,972	376,972
<b>Reconciliation to GAAP basis:</b>				
Revenues and expenditures in the reserve funds are included on the GAAP basis, but not the budgetary basis:				
Reserve revenues			55,771	
Reserve expenditures			(3,242,135)	
Transfers into reserves			1,512,000	
Capital outlays are recorded as expenditures on the budgetary basis, but are capitalized and expensed over their useful life on the GAAP basis:				
Purchase of capital assets			3,121,864	
Gain (loss) on disposal of capital assets			(5,491)	
Depreciation expense			(2,133,697)	
Change in accruals are recorded on the GAAP basis, but not on the budgetary basis:				
Interest expense			258	
Note proceeds provide current financial resources on a budgetary basis, but issuing debt increases long-term liabilities on the statement of net position. Repayment of bond principal is an expenditure on the budgetary basis, but reduces the long-term liability on the GAAP basis:				
Note principal			197,102	
Change in net position - GAAP basis			(117,356)	
Net position, beginning of year			64,746,366	
<b>Net position, end of year</b>			<b>\$ 64,629,010</b>	

## **SCHEDULES**

*This page intentionally left blank.*

**CITY OF SOUTH PORTLAND, MAINE**  
**City Special Revenues**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

		Fund balance (deficit)	Revenues					Fund balance (deficit)
		beginning of year	Inter- governmental	Other	Expenditures	Transfers	end of year	
General Government:								
Federal grants:								
2115	CDBG - Entitlement Community	\$ 10,095	663,917	-	664,172	-	9,840	
2155	Housing Revolving Loan	114,431	-	-	-	-	114,431	
2251	Brownfields Grant	-	218,302	-	226,272	24,000	16,030	
State grants:								
2031	Watershed Plan	26,841	-	214	-	-	27,055	
2138	Greater Portland Public Development	56,970	-	-	-	-	56,970	
2154	Land Use Regulation Grant	233	-	-	-	-	233	
Other:								
2008	Restoration of Records	1,254	-	-	-	-	1,254	
2042	Business Development Revolving Loan	59,172	-	-	4,500	-	54,672	
2044	Employee Appreciation Fund	34,930	-	17,516	9,712	-	42,734	
2053	Wallace Avenue Directional	2,353	-	19	-	-	2,372	
2057	Downeast Energy Traffic Improvement	5,053	-	40	-	-	5,093	
2058	NE Audio/Tweeter Sidewalks	10,721	-	86	-	-	10,807	
2067	Toys "R" Us Sidewalks	11,219	-	90	-	-	11,309	
2088	SPCTV	726,714	-	224,300	233,542	(6,944)	710,528	
2094	Gannett Traffic Signal Escrow	27,592	-	1,670	-	-	29,262	
2097	Wellness Committee	(1,660)	-	8,519	9,226	-	(2,367)	
2108	Longhorn Steakhouse Escrow	19,904	-	178	-	-	20,082	
2114	Millcreek Traffic Impact	12,539	-	2,332	-	-	14,871	
2120	Evan/Highland Toddle Inn Escrow	24,374	-	172	-	-	24,546	
2129	Westbrook/Western Escrow	53,231	-	482	-	-	53,713	
2136	Knightville/Mill Creek Plan	7,981	-	-	-	-	7,981	
2139	Brick Hill Traffic Escrow	1,273	-	13	-	-	1,286	
2146	Heating Assistance	2,532	-	16,076	705	-	17,903	
2149	Westbrook/South Portland Assessing	3,763	272,711	-	272,567	(144)	3,763	
2161	War Memorial	2,001	-	-	-	-	2,001	
2165	Freshwater Wetland Fund	267,782	-	696	2,464	-	266,014	
2169	John Roberts Road Escrow	2,550	-	-	-	-	2,550	
2179	Land Bank Trust	1,065,045	-	(31,739)	994,431	-	38,875	
2188	Long Creek Tragedy Memorial	237	-	-	-	-	237	
2257	Sustainability Grants	(87)	14,898	-	18,693	-	(3,882)	
2045	Center for Tech and Civic Life Election Grant	(14,986)	-	205,938	190,952	-	-	
2400	City Donations Fund	-	-	-	15,850	-	(15,850)	
Total General Government		2,534,057	1,169,828	446,602	2,643,086	16,912	1,524,313	

**CITY OF SOUTH PORTLAND, MAINE**  
**City Special Revenues**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

		Fund balance beginning of year	Revenues		Expenditures	Transfers	Fund balance end of year
			Inter- governmental	Other			
Public Safety:							
Federal grants:							
2023	Impaired & Distracted Driver Grants	\$ 5,749	-	-	-	-	5,749
2050	Asset Forfeiture - Federal	27,881	-	172	9,217	-	18,836
2064	Seat Belt Enforcement Grant	721	-	-	-	-	721
2121	Supplemental Homeland Security	368	134,433	-	188,627	-	(53,826)
2125	County Hazmat Grant	16,561	17,483	-	24,860	-	9,184
2126	State Hazmat Grant	5,226	-	-	-	-	5,226
2151	Justice Assistance Grant	7,398	93,801	-	93,801	-	7,398
2160	Speed Enforcement	2,165	3,912	-	-	-	6,077
2168	Keep Maine Healthy	-	559,192	-	573,928	14,736	-
2195	Drug Free Community	(16)	125,337	-	125,321	-	-
State grants:							
2049	Asset Forfeiture - State	6,671	-	53	-	-	6,724
Other:							
2018	Hazardous Materials	113,536	-	-	-	-	113,536
2086	Police Donations	11,841	-	7,130	155	-	18,816
2107	Tobacco Cessation	6,775	-	-	-	-	6,775
2142	SP Police Youth Program	5,821	-	-	114	-	5,707
2174	Fire Donation	15,232	-	3,300	2,867	-	15,665
2178	Outside OT - Code Enforcement	5,041	-	-	-	-	5,041
2182	Compliance Check	970	-	-	-	-	970
2194	Fire Training	12,798	-	-	-	-	12,798
Total Public Safety		244,738	934,158	10,655	1,018,890	14,736	185,397

**CITY OF SOUTH PORTLAND, MAINE**  
**City Special Revenues**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

		Fund balance beginning of year	Revenues		Expenditures	Transfers	Fund balance end of year
			Inter- governmental	Other			
Public Works:							
Federal grants:							
2096	FEMA Disaster Relief	\$ 27,564	116,646	-	134,134	-	10,076
State grants:							
2046	State Aid Highway Block Grant	756,356	253,236	6,700	75,000	-	941,292
Other:							
2024	Recycling	5,857	-	335	-	-	6,192
2025	Donations	176	-	-	-	-	176
2082	Street Openings	389,628	-	76,237	75,146	(72)	390,647
2084	Sewer Impact	491,743	-	92,615	60,726	-	523,632
Total Public Works		1,671,324	369,882	175,887	345,006	(72)	1,872,015
Culture and Recreation:							
Other:							
2035	Tree Fund	15,215	-	8,337	6,139	-	17,413
2037	Debevoise Tennis Court	2,127	-	-	-	-	2,127
2056	Library Donations	55,636	-	2,336	-	-	57,972
2071	Golf Course	200,021	-	211,825	212,708	14,928	214,066
2072	Recreation	341,689	-	561,181	606,391	-	296,479
2073	Donations to Parks and Recreation	28,613	-	12,493	2,178	-	38,928
2076	Art in the Park	30,551	-	8,294	1,871	-	36,974
2116	GE Erskine Park	1,987	-	-	-	-	1,987
2152	Friends of South Portland Libraries	-	-	714	3,358	-	(2,644)
2189	Communities Promoting Health	575	-	-	-	-	575
2317	Brown Hill Cemetery	72,797	-	533	-	(3,500)	69,830
Total Culture and Recreation		749,211	-	805,713	832,645	11,428	733,707
Transportation and Waterfront:							
Federal grants:							
2041	Planning/Capital Grants	8,194	-	-	-	-	8,194
2093	Rural Transit Assistance Grant	2,283	-	-	-	-	2,283
2180	FTA CARES Act	-	-	-	4,658	-	(4,658)
Other:							
2074	Boat Ramp	11,571	-	19,540	13,686	-	17,425
2075	Portland Street Pier	208,456	-	25,995	12,381	-	222,070
2117	Thomas Knight Boat Landing	4,442	-	2,266	488	-	6,220
Total Transportation and Waterfront		234,946	-	47,801	31,213	-	251,534
<b>Total</b>		<b>\$ 5,434,276</b>	<b>2,473,868</b>	<b>1,486,658</b>	<b>4,870,840</b>	<b>43,004</b>	<b>4,566,966</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**School Grant Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

		Fund balance (deficit) beginning of year	Revenues	Expenditures	Transfers	Fund balance (deficit) end of year
Federal Grants:						
0230	Title IA - Disadvantaged	\$ -	535,546	535,546	-	-
0240	Title IV - Every Student Succeeds Act	-	10,140	10,140	-	-
0247	Local Entitlement	-	798,642	798,642	-	-
0251	Preschool Grant	-	16,854	16,854	-	-
0260	Corona Relief	-	6,429,501	6,429,501	-	-
0264	Title V	348	-	-	-	348
0268	Title III - Language Acquisition	-	24,254	24,254	-	-
0270	Title II A - Supporting Effective Instruction	14,086	110,882	110,882	-	14,086
0275	Elementary School Program	500	-	-	-	500
0295	Adult Basic Education	-	16,199	16,199	-	-
Total federal grants		14,934	7,942,018	7,942,018	-	14,934
State Grants:						
0216	MMSA Cooperating School	2,704	-	-	-	2,704
0221	Health & Wellness Grants:					
	Health & Wellness	420	-	-	-	420
	Dental Study	3,427	-	-	-	3,427
	Action for Healthy Kids	10	-	-	-	10
	Integrated Youth Health Survey	300	-	-	-	300
	AE College Transitions	-	5,859	4,787	-	1,072
0223	State Proficiency Grants	3,762	-	-	-	3,762
0224	Partners in Arts & Learning	735	1,776	1,559	-	952
0225	Reading Recovery	1,248	-	-	-	1,248
0226	Learning Results	(405)	-	-	-	(405)
0228	Art Department Grant	2,000	-	-	-	2,000
0229	State Agency Clients	17,082	-	-	-	17,082
0284	E-Rate	(5,593)	-	-	-	(5,593)
Total state grants		25,690	7,635	6,346	-	26,979
Local Grants and Other Special Funds:						
0200	SPHS Auditorium:					
	SPHS Auditorium	28,967	-	4,425	-	24,542
	Elaine Wolfson Memorial	1,158	-	-	-	1,158
0201	Local SPHS:					
	High School Musical	4,513	-	830	-	3,683
	High School Aspirations	11,350	-	10,497	-	853
	SPHS Friends	8,466	-	-	-	8,466
	SPHS Class of 1940	100	-	-	-	100
	Readiness Partnership	178	-	-	-	178
	Sustainability Committee	(87)	-	-	-	(87)
	Vicious Cycle	1,783	-	-	-	1,783
	Substance Abuse Prevention	1,235	-	-	-	1,235
0203	Primary Books	4,810	-	-	-	4,810

**CITY OF SOUTH PORTLAND, MAINE**  
**School Grant Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2021**

	Fund balance (deficit) beginning of year	Revenues	Expenditures	Transfers	Fund balance (deficit) end of year
Local Grants and Other Special Funds, Continued:					
0204 Local Grants:					
Memorial Tech Grant Koelker	\$ (1,237)	-	-	-	(1,237)
National Semiconductor (Morneault)	174	-	-	-	174
National Semiconductor (Brown)	(3,683)	-	-	-	(3,683)
National Semiconductor (STEM Grant)	76	-	-	-	76
Texas Instruments (Stem Grant)	(3)	-	-	-	(3)
Innovative Idea (Thurlow)	1,558	-	-	-	1,558
Summer Music (Memorial)	1,579	-	-	-	1,579
Kids Consortium Memorial	477	-	-	-	477
Memorial Friends	4,203	5,000	-	-	9,203
Great Bay Foundation - Kaler	444	-	-	-	444
Target Kaler Prof. Development Grant	750	-	-	-	750
Girls Leadership Initiative	31	-	-	-	31
Donations	10,213	-	-	-	10,213
Transition Books	1,414	-	-	-	1,414
School Nutrition Donations	6,324	7,100	-	-	13,424
Project Based Learning	900	-	-	-	900
MEA Wellness Program	627	500	-	-	1,127
Unum/Skillin/Mem Stem Reg	983	-	-	-	983
United Way Brick/Beam	(1,048)	-	225	-	(1,273)
ME Communication Foundation Family	40,706	50,000	58,825	-	31,881
United Way Adopt A School	349	-	676	-	(327)
Community Donation Family	500	4,060	2,155	-	2,405
East Point Church Homeless Grant	-	23,362	2,596	-	20,766
ME Communication Foundation WIFI	-	7,000	-	-	7,000
0205 Local Boosters:					
Baseball Boosters	500	-	-	(500)	-
Lacrosse Club Boys	1,891	-	-	(1,891)	-
Lacrosse Club Girls	1,886	-	-	(1,886)	-
MSSPA Playoffs	13,407	-	-	-	13,407
SPHS Athletic Shed	5,000	-	-	-	5,000
Johnson Athletic	2,176	250	-	58,605	61,031
Athletic Sponsorship Program	9,633	11,100	-	(6,667)	14,066
Pape Chevrolet Truck Raffle	4,328	-	-	(4,328)	-
0206 Southern Maine (LCA) Project	137	-	-	-	137
0207 Dyer Friends	420	-	-	-	420
0208 Staff Computer Training	(476)	-	-	-	(476)
0209 Future Builders/Summer School	(20,920)	-	-	-	(20,920)
0211 Robotics	(12,626)	1,000	3,024	-	(14,650)
0212 21st Century Donations	7,259	-	22,325	-	(15,066)
0213 Quest	7,551	-	-	-	7,551
0214 Skillin Local:					
Skillin Playground	655	-	-	-	655
Friends Skillin Library	2,189	4,129	6,797	-	(479)
Skillin Natural Science	953	-	-	-	953
Skillin Friends	50	-	-	-	50
Skillin Winterkids Games	788	-	-	-	788
Skillin Donations	475	-	-	-	475
0215 Gates Teacher Leader Grant	1,500	-	-	-	1,500
0217 Art Donations	857	-	-	-	857
0218 Small Friends	209	-	-	-	209
0219 Local Friends Grants:					
Brown Friends	1,412	-	2,105	-	(693)
Mary F Marsh Book	5,651	-	-	-	5,651
Mahoney Friends	2,325	-	-	-	2,325
Kaler Friends	3,218	-	-	-	3,218
Brown/United Way Grant	-	15,124	6,132	-	8,992
Donations	365	-	-	-	365
0222 Special Education Access Channel	12,830	-	2,826	6,800	16,804
0227 Teamwork for Kids - Fallon	1,000	-	-	-	1,000
0615 Adult Ed Enrichment	8,362	2,195	355	-	10,202
Total local grants and other special funds	190,815	130,820	123,793	50,133	247,975
<b>Total</b>	<b>\$ 231,439</b>	<b>8,080,473</b>	<b>8,072,157</b>	<b>50,133</b>	<b>289,888</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Private-purpose Trust Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the year ended June 30, 2021**

		Net position beginning of year	Additions			Deductions	Net position end of year
			Donations/ other	Interest income	Realized and unrealized gain (loss)		
Private-purpose trusts:							
0801	Dora Small Trust	\$ 10,774	-	346	(304)	56	10,760
0803	Lewis Trust (School)	1,349,947	-	52,543	(43,467)	75,880	1,283,143
0804	Alley Scholarship	9,148	-	375	(288)	555	8,680
0805	Davidson Scholarship	3,797	-	165	(138)	524	3,300
0806	Elliot Scholarship	5,665	-	241	(191)	535	5,180
0807	Friese Scholarship	3,622	-	166	(133)	523	3,132
0808	Harvie Scholarship	1,461	-	61	(93)	810	619
0809	Naylon Scholarship	5	-	-	-	-	5
0810	Norwood Scholarship	71,650	-	1,805	18,965	1,500	90,920
0811	Reynolds Scholarship	87	-	3	(2)	1	87
0812	Robinson Scholarship	35	-	1	(1)	-	35
0813	Schwartz Scholarship	942	-	33	(27)	5	943
0814	Smart Scholarship	9,925	-	442	(341)	813	9,213
0815	Super Runion Scholarship	6,878	-	285	(225)	542	6,396
0816	Wiggin Scholarship	7,046	-	293	(229)	543	6,567
0817	Paul Fiore Scholarship	7,235	-	276	(203)	41	7,267
0818	John Millington Scholarship	10,663	-	390	(365)	1,061	9,627
0819	Stu Brown Scholarship	83	-	1	-	-	84
0820	William Linskey Memorial	6,584	-	293	(248)	1,043	5,586
0821	SPHS Recycle Club Scholarship	1	-	-	-	-	1
0822	Governor's Restaurant Scholarship	3	-	-	-	-	3
0823	Book Trust	833	-	47	(42)	307	531
0824	Eagles Association Scholarship	1	-	-	-	-	1
0825	Sherrie Libby Scholarship	9,275	-	341	(258)	52	9,306
0826	Gustaf W Johnson Scholarship	515,788	-	20,825	(16,617)	25,573	494,423
0827	A Varanelli Scholarship	(283)	-	44	10	3	(232)
0828	Downing Trust	198	-	-	-	-	198
0829	Robert Graff Scholarship	2,202	-	24	(97)	513	1,616
0830	Rosella Loveitt Trust	1,448	-	20	(42)	5	1,421
0831	Deveboise Scholarship	12,505	1,000	105	-	-	13,610
0833	Walker Scholarship	2,357	2,080	152	(131)	1,022	3,436
0835	Ralph Baxter Scholarship	1,464	-	56	(41)	8	1,471
0836	Scholars	115,203	-	913	-	5,000	111,116
7506	Eleanor Hatch Trust	17,274	-	554	(488)	91	17,249
<b>Total private-purpose trusts</b>		<b>\$ 2,183,816</b>	<b>3,080</b>	<b>80,800</b>	<b>(44,996)</b>	<b>117,006</b>	<b>2,105,694</b>

# STATISTICAL SECTION



*This page intentionally left blank.*

## STATISTICAL SECTION

This part of City of South Portland's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Tables</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	1-5
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	6-11
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	12-14
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	15-16
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	17-19

*This page intentionally left blank.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 68,914,663	\$ 72,207,636	\$ 73,600,630	\$ 75,413,372	\$ 79,523,948	\$ 82,323,833	\$ 82,508,257	\$ 84,566,316	\$ 88,649,566	\$ 99,288,948
Restricted	11,783,906	11,601,604	12,642,454	11,581,748	12,399,159	14,425,257	11,510,846	11,326,214	13,056,972	15,909,639
Unrestricted	17,843,882	18,392,216	11,423,557 (a)	15,159,920	13,880,761	15,435,585	13,762,193	9,526,783	8,668,984	5,806,948
<b>Total governmental activities net position</b>	<b>\$ 98,542,451</b>	<b>\$ 102,201,456</b>	<b>\$ 97,666,641</b>	<b>\$ 102,155,040</b>	<b>\$ 105,803,868</b>	<b>\$ 112,184,675</b>	<b>\$ 107,781,296</b>	<b>\$ 105,419,313</b>	<b>\$ 110,375,522</b>	<b>\$ 121,005,535</b>
Business-type activities:										
Net investment in capital assets	\$ 49,501,248	\$ 49,690,446	\$ 49,898,598	\$ 50,967,438	\$ 50,111,131	\$ 49,737,946	\$ 49,680,645	\$ 52,833,701	\$ 53,385,092	\$ 54,564,870
Restricted	5,877,132	4,543,966	4,060,384	2,152,583	4,617,231	3,434,257	6,901,280	5,418,253	4,042,278	-
Unrestricted	5,562,693	6,922,600	7,328,083	8,084,079	8,277,339	8,164,927	7,867,011	6,556,199	7,318,996	10,064,140
<b>Total business-type activities net position</b>	<b>\$ 60,941,073</b>	<b>\$ 61,157,012</b>	<b>\$ 61,287,065</b>	<b>\$ 61,204,100</b>	<b>\$ 63,005,701</b>	<b>\$ 61,337,130</b>	<b>\$ 64,448,936</b>	<b>\$ 64,808,153</b>	<b>\$ 64,746,366</b>	<b>\$ 64,629,010</b>
Primary government:										
Net investment in capital assets	\$ 118,415,911	\$ 121,898,082	\$ 123,499,228	\$ 126,380,810	\$ 129,635,079	\$ 132,061,779	\$ 132,188,902	\$ 137,400,017	\$ 142,034,658	\$ 153,853,818
Restricted	17,661,038	16,145,570	16,702,838	13,734,331	17,016,390	17,859,514	18,412,126	16,744,467	17,099,250	15,909,639
Unrestricted	23,406,575	25,314,816	18,751,640 (a)	23,243,999	22,158,100	23,600,512	21,629,204	16,082,982	15,987,980	15,871,088
<b>Total primary government net position</b>	<b>\$ 159,483,524</b>	<b>\$ 163,358,468</b>	<b>\$ 158,953,706</b>	<b>\$ 163,359,140</b>	<b>\$ 168,809,569</b>	<b>\$ 173,521,805</b>	<b>\$ 172,230,232</b>	<b>\$ 170,227,466</b>	<b>\$ 175,121,888</b>	<b>\$ 185,634,545</b>

(a) Restated for GASB #68 pension recognition effective June 30, 2014.

**CITY OF SOUTH PORTLAND, MAINE**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Expenses	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities:</b>										
General government	\$ 10,384,706	\$ 10,512,718	\$ 11,234,446	\$ 10,584,081	\$ 13,747,918	\$ 13,548,355	\$ 13,958,497	\$ 11,097,687	\$ 16,587,038	\$ 15,648,947
Public safety	11,883,029	12,030,128	12,553,773	12,766,963	13,000,756	13,344,042	13,857,160	14,378,122	14,715,423	15,538,227
Public works	7,333,922	7,282,274	7,519,818	7,510,853	6,873,549	7,641,727	8,159,709	7,990,357	8,840,505	8,028,758
Culture and recreation	4,349,852	4,333,705	4,431,468	4,440,715	4,587,976	4,372,866	4,938,167	4,911,749	4,762,474	4,474,919
Transportation and waterfront	1,220,037	1,218,546	1,381,048	1,519,381	1,596,383	1,814,621	1,982,271	2,060,680	2,075,168	1,937,271
Health, welfare and social services	321,795	329,143	335,866	369,616	521,834	506,108	559,095	566,904	684,709	735,182
Education	43,451,415	42,854,439	45,825,021	47,485,069	47,943,450	50,058,768	51,900,039	53,243,047	53,789,458	58,136,143
School lunch	1,591,951	1,547,688	1,681,737	1,693,739	1,721,538	1,803,337	1,820,284	1,885,962	1,797,884	1,640,669
Interest on debt service	853,840	1,761,281	1,464,950	1,436,958	1,328,266	1,695,611	1,272,571	1,100,838	1,273,613	1,382,369
<b>Total governmental activities expenses</b>	<b>81,390,547</b>	<b>81,869,922</b>	<b>86,428,127</b>	<b>87,807,375</b>	<b>91,321,670</b>	<b>94,785,435</b>	<b>98,447,793</b>	<b>97,235,346</b>	<b>104,526,272</b>	<b>107,522,485</b>
<b>Business-type activities:</b>										
Sewer	5,632,254	5,885,557	6,133,807	6,147,313	6,154,095	6,203,347	6,345,116	6,455,769	6,540,614	6,564,090
<b>Total business-type activities expenses</b>	<b>5,632,254</b>	<b>5,885,557</b>	<b>6,133,807</b>	<b>6,147,313</b>	<b>6,154,095</b>	<b>6,203,347</b>	<b>6,345,116</b>	<b>6,455,769</b>	<b>6,540,614</b>	<b>6,564,090</b>
<b>Total primary government expenses</b>	<b>\$ 87,022,801</b>	<b>\$ 87,755,479</b>	<b>\$ 92,561,934</b>	<b>\$ 93,954,688</b>	<b>\$ 97,475,765</b>	<b>\$ 100,988,782</b>	<b>\$ 104,792,909</b>	<b>\$ 103,691,115</b>	<b>\$ 111,066,886</b>	<b>\$ 114,086,575</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 305,479	\$ 514,857	\$ 417,451	\$ 510,092	\$ 831,509	\$ 442,734	\$ 414,864	\$ 414,772	\$ 443,867	\$ 914,546
Public safety	1,188,407	1,506,952	1,448,532	1,358,246	1,715,339	2,090,407	1,919,169	1,898,476	2,815,926	2,536,995
Public works	200,634	331,600	283,953	300,711	308,979	386,056	242,771	253,305	449,198	332,688
Culture and recreation	923,531	922,237	922,321	974,204	1,078,408	1,119,989	1,316,027	1,410,321	915,697	922,346
Transportation and waterfront	393,663	418,198	439,386	417,158	389,317	376,949	374,004	375,738	291,494	166,254
Education	119,035	57,030	37,159	55,695	105,425	126,000	126,463	124,996	125,000	136,500
School lunch program	559,536	559,536	559,536	559,536	559,536	556,652	639,552	659,174	431,029	40,797
Operating grants and contributions	12,254,487	10,382,263	12,995,004	13,459,862	13,373,025	14,780,259	15,318,974	14,806,576	17,615,005	24,900,449
Capital grants and contributions	479,280	518,319	1,574,695	382,528	1,917,714	1,783,472	468,032	375,205	334,302	501,471
<b>Total governmental activities program revenues</b>	<b>16,424,052</b>	<b>15,210,992</b>	<b>18,678,037</b>	<b>18,018,032</b>	<b>20,279,252</b>	<b>21,662,518</b>	<b>20,819,856</b>	<b>20,318,563</b>	<b>23,421,518</b>	<b>30,452,046</b>
<b>Business-type activities:</b>										
Charges for services:										
Sewer	5,436,377	5,637,193	5,927,684	5,927,684	5,922,343	6,008,622	6,015,315	6,080,533	5,865,711	6,268,760
Capital grants and contributions	110,000	138,232	-	-	100,000	254,765	-	-	113,954	-
<b>Total business-type activities program revenues</b>	<b>5,546,377</b>	<b>5,775,425</b>	<b>5,927,684</b>	<b>5,927,684</b>	<b>6,022,343</b>	<b>6,263,387</b>	<b>6,015,315</b>	<b>6,080,533</b>	<b>5,979,665</b>	<b>6,268,760</b>
<b>Total primary government program revenues</b>	<b>\$ 21,970,429</b>	<b>\$ 20,986,417</b>	<b>\$ 24,605,721</b>	<b>\$ 23,945,716</b>	<b>\$ 26,301,595</b>	<b>\$ 27,925,905</b>	<b>\$ 26,835,171</b>	<b>\$ 26,399,096</b>	<b>\$ 29,401,183</b>	<b>\$ 36,720,806</b>

**CITY OF SOUTH PORTLAND**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (64,966,495)	\$ (66,658,930)	\$ (67,750,090)	\$ (69,789,343)	\$ (71,042,418)	\$ (73,122,927)	\$ (77,627,937)	\$ (76,916,783)	\$ (81,104,754)	\$ (77,070,439)
Business-type activities	(85,877)	(110,132)	(206,123)	(326,984)	(131,752)	60,040	(329,801)	(375,236)	(560,949)	(295,330)
<b>Total primary government net (expense)/revenue</b>	<u>\$ (65,052,372)</u>	<u>\$ (66,769,062)</u>	<u>\$ (67,956,213)</u>	<u>\$ (70,116,327)</u>	<u>\$ (71,174,170)</u>	<u>\$ (73,062,887)</u>	<u>\$ (77,957,738)</u>	<u>\$ (77,292,019)</u>	<u>\$ (81,665,703)</u>	<u>\$ (77,365,769)</u>
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 57,176,484	\$ 58,939,831	\$ 59,778,935	\$ 61,874,477	\$ 63,183,208	\$ 64,164,888	\$ 65,519,757	\$ 68,265,075	\$ 70,532,733	\$ 72,217,939
Motor vehicle excise tax	5,037,900	5,453,056	5,829,497	6,374,595	7,241,370	7,100,567	7,595,421	7,893,886	6,147,045	7,064,080
Cable television franchise	185,000	176,253	166,543	151,779	120,000	120,000	120,000	120,000	120,000	100,000
Unrestricted grants and contributions	4,244,228	4,391,399	4,259,604	4,321,318	4,427,881	4,911,784	4,883,857	5,165,596	6,218,797	7,374,404
Miscellaneous	1,400,096	1,224,458	1,088,123	1,169,599	945,284	986,617	824,864	1,002,266	956,662	710,746
Gain (Loss) on sale of assets/property	(121,631)	-	-	-	-	-	-	-	-	-
Interest and investment earnings	751,519	431,930	592,776	581,216	630,112	411,583	407,993	1,578,387	2,506,266	206,551
Transfers	(1,816,658)	(298,992)	(306,075)	(195,242)	(1,856,609) (a)	1,808,295	(3,363,343)	(620,941)	(420,540)	(120,138)
<b>Total governmental activities</b>	<u>\$ 66,856,938</u>	<u>\$ 70,317,935</u>	<u>\$ 71,409,403</u>	<u>\$ 74,277,742</u>	<u>\$ 74,691,246</u>	<u>\$ 79,503,734</u>	<u>\$ 75,988,549</u>	<u>\$ 83,404,269</u>	<u>\$ 86,060,963</u>	<u>\$ 87,553,582</u>
Business-type activities:										
Interest and investment earnings	30,143	27,079	30,101	48,777	76,744	79,684	78,264	113,512	78,622	57,836
Transfers	1,816,658	298,992	306,075	195,242	1,856,609 (a)	(1,808,295)	3,363,343	620,941	420,540	120,138
<b>Total business-type activities</b>	<u>1,846,801</u>	<u>326,071</u>	<u>336,176</u>	<u>244,019</u>	<u>1,933,353</u>	<u>(1,728,611)</u>	<u>3,441,607</u>	<u>734,453</u>	<u>499,162</u>	<u>177,974</u>
<b>Total primary government</b>	<u>\$ 68,703,739</u>	<u>\$ 70,644,006</u>	<u>\$ 71,745,579</u>	<u>\$ 74,521,761</u>	<u>\$ 76,624,599</u>	<u>\$ 77,775,123</u>	<u>\$ 79,430,156</u>	<u>\$ 84,138,722</u>	<u>\$ 86,560,125</u>	<u>\$ 87,731,556</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 1,890,443	\$ 3,659,005	\$ 3,659,313	\$ 4,488,399	\$ 3,648,828	\$ 6,380,807	\$ (1,639,388)	\$ 6,487,486	\$ 4,956,209	\$ 10,483,143
Business-type activities	1,760,924	215,939	130,053	(82,965)	1,801,601	(1,668,571)	3,111,806	359,217	(61,787)	(117,356)
<b>Total primary government</b>	<u>\$ 3,651,367</u>	<u>\$ 3,874,944</u>	<u>\$ 3,789,366</u>	<u>\$ 4,405,434</u>	<u>\$ 5,450,429</u>	<u>\$ 4,712,236</u>	<u>\$ 1,472,418</u>	<u>\$ 6,846,703</u>	<u>\$ 4,894,422</u>	<u>\$ 10,365,787</u>

(a) The business-type activities transfer was a result of sewer pipe infrastructure entered into Public Works, but should have been attributed to Water Resource Protection.

**CITY OF SOUTH PORTLAND, MAINE**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities:</b>										
General government	\$ 1,203,520	\$ 1,385,648	\$ 1,061,168	\$ 1,186,539	\$ 1,404,226	\$ 1,109,773	\$ 1,069,957	\$ 962,243	\$ 1,568,829	\$ 2,488,145
Public safety	1,987,659	2,240,012	2,015,605	1,765,083	1,919,288	2,472,100	2,289,257	2,284,069	3,363,956	3,580,886
Public works	551,896	828,918	887,641	683,239	1,738,026	1,187,743	517,024	582,644	722,018	740,358
Culture and recreation	923,531	922,237	922,321	974,204	1,078,408	1,119,989	1,316,027	1,410,321	915,697	946,720
Transportation and waterfront	690,767	677,047	1,560,803	883,678	1,438,633	2,084,690	1,294,208	1,189,062	1,436,977	1,117,886
Health, welfare and social services	99,697	113,648	125,937	124,747	284,231	250,007	296,491	254,717	377,708	407,832
Education	10,966,982	9,043,482	12,104,562	12,400,542	12,416,440	13,438,216	14,036,892	13,635,507	15,036,333	21,170,219
<b>Total governmental activities</b>	<b>16,424,052</b>	<b>15,210,992</b>	<b>18,678,037</b>	<b>18,018,032</b>	<b>20,279,252</b>	<b>21,662,518</b>	<b>20,819,856</b>	<b>20,318,563</b>	<b>23,421,518</b>	<b>30,452,046</b>
<b>Business-type activities:</b>										
Sewer	5,546,377	5,775,425	5,927,684	5,820,239	6,022,343	6,263,387	6,015,315	6,080,533	5,979,665	6,268,760
<b>Total business-type activities</b>	<b>5,546,377</b>	<b>5,775,425</b>	<b>5,927,684</b>	<b>5,820,239</b>	<b>6,022,343</b>	<b>6,263,387</b>	<b>6,015,315</b>	<b>6,080,533</b>	<b>5,979,665</b>	<b>6,268,760</b>
<b>Total primary government</b>	<b>\$ 21,970,429</b>	<b>\$ 20,986,417</b>	<b>\$ 24,605,721</b>	<b>\$ 23,838,271</b>	<b>\$ 26,301,595</b>	<b>\$ 27,925,905</b>	<b>\$ 26,835,171</b>	<b>\$ 26,399,096</b>	<b>\$ 29,401,183</b>	<b>\$ 36,720,806</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 100,382	\$ 104,615	\$ -	\$ -	\$ -	\$ 100,557	\$ -
Restricted	5,284,024	4,072,226	3,693,988	2,715,462	2,708,544	2,662,892	2,338,747	2,022,736	3,212,321	4,930,223
Committed	3,340,240	4,419,099	4,482,037	3,458,710	4,344,471	4,012,592	3,972,242	3,984,988	5,928,768	6,460,667
Assigned	2,820,042	3,035,817	3,117,547	3,234,394	3,273,424	4,028,667	4,129,161	4,044,926	3,949,069	3,392,636
Unassigned	10,591,915	10,144,040	10,838,800	12,827,588	13,320,584	13,189,251	12,400,808	13,521,328	12,909,528	16,133,999
Total general fund	<u>\$ 22,036,221</u>	<u>\$ 21,671,182</u>	<u>\$ 22,132,372</u>	<u>\$ 22,336,536</u>	<u>\$ 23,751,638</u>	<u>\$ 23,893,402</u>	<u>\$ 22,840,958</u>	<u>\$ 23,573,978</u>	<u>\$ 26,100,243</u>	<u>\$ 30,917,525</u>
All other governmental funds:										
Nonspendable	\$ 218,310	\$ 218,310	\$ 228,559	\$ 228,559	\$ 241,859	\$ 246,523	\$ 241,093	\$ 229,141	\$ 248,438	\$ 193,519
Restricted	39,370,502	18,401,015	16,551,026	9,578,044	9,344,141	15,821,856	9,398,675	9,430,898	9,715,863	12,227,208
Committed	7,688,035	7,003,092	6,715,850	8,160,788	8,585,144	9,154,640	9,643,676	11,056,337	10,773,102	8,113,510
Unassigned	(263,166)	(116,930)	(69,544)	(8,263)	(1,059,302)	(92,080)	(193,496)	(859,755)	(1,541,427)	(5,472,913)
Total all other governmental funds	<u>\$ 47,013,681</u>	<u>\$ 25,505,487</u>	<u>\$ 23,425,891</u>	<u>\$ 17,959,128</u>	<u>\$ 17,111,842</u>	<u>\$ 25,130,939</u>	<u>\$ 19,089,948</u>	<u>\$ 19,856,621</u>	<u>\$ 19,195,976</u>	<u>\$ 15,061,324</u>

**CITY OF SOUTH PORTLAND, MAINE**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 62,378,384	\$ 64,110,887	\$ 65,352,432	\$ 68,968,072	\$ 70,623,578	\$ 71,188,455	\$ 73,137,978	\$ 76,229,761	\$ 76,680,678	\$ 79,302,519
Intergovernmental	16,977,995	15,291,981	18,629,968	18,163,708	19,718,620	21,350,777	20,670,863	20,347,377	24,168,104	32,306,980
Licenses and permits	785,020	1,025,315	966,203	893,186	1,162,225	1,224,384	1,081,073	1,106,919	1,900,262	1,402,409
Charges for services	3,090,265	3,461,348	3,308,678	3,434,235	3,946,288	3,731,786	3,787,149	3,984,213	3,369,846	3,747,717
Unclassified	1,332,902	1,358,674	1,127,061	1,377,045	1,607,267	1,541,682	1,251,377	2,254,358	1,405,155	1,464,791
Interest	751,519	431,930	592,776	581,216	630,112	411,583	407,993	1,578,387	2,506,266	206,551
<b>Total revenues</b>	<b>85,316,085</b>	<b>85,680,135</b>	<b>89,977,118</b>	<b>93,417,462</b>	<b>97,688,090</b>	<b>99,448,667</b>	<b>100,336,433</b>	<b>105,501,015</b>	<b>110,030,311</b>	<b>118,430,967</b>
<b>Expenditures</b>										
General government	9,341,619	9,552,893	9,951,423	10,446,432	10,826,767	11,397,541	12,397,376	12,788,538	14,053,826	15,103,885
Public safety	10,178,386	10,816,601	10,731,258	10,860,700	11,055,139	11,456,415	11,826,761	12,017,983	12,640,353	13,332,617
Public works	4,763,557	4,673,417	4,593,184	5,170,020	4,856,565	4,521,156	5,085,171	5,547,431	5,851,611	5,081,087
Culture and recreation	3,817,090	3,853,346	3,819,006	3,848,406	3,886,368	3,893,759	4,313,069	4,215,218	4,144,603	3,923,101
Transportation and waterfront	1,012,745	1,084,511	1,147,881	1,214,276	1,288,456	1,465,393	1,503,217	1,561,608	1,575,542	1,476,709
Health, welfare and social services	321,795	329,143	335,866	369,616	521,834	506,108	559,095	566,904	684,709	735,182
Education	42,467,517	41,791,370	43,572,441	45,667,455	45,586,692	47,698,940	49,543,256	51,055,944	52,554,317	59,367,296
School lunch program	1,591,951	1,547,688	1,681,737	1,693,739	1,721,538	1,803,337	1,820,284	1,885,962	1,797,884	1,640,669
County tax	2,072,476	2,075,037	2,215,084	2,327,942	2,434,056	2,504,088	2,598,030	2,785,695	2,952,578	3,084,423
Other	1,526,050	1,508,810	1,474,662	1,297,458	1,036,573	991,155	1,326,066	1,869,725	1,897,901	1,828,319
Capital projects	6,948,842	28,017,777	15,811,139	9,356,651	6,148,201	14,578,120	7,633,531	4,513,844	5,716,208	15,634,670
Debt Service:										
Principal	2,686,396	2,478,832	4,077,856	4,465,751	4,466,946	4,303,499	4,363,969	4,423,975	4,259,775	4,348,318
Interest expense	767,911	1,277,701	1,708,713	1,766,373	1,625,390	1,683,605	1,743,118	1,560,333	1,465,642	1,491,884
<b>Total expenditures</b>	<b>87,496,335</b>	<b>109,007,126</b>	<b>101,120,250</b>	<b>98,484,819</b>	<b>95,454,525</b>	<b>106,803,116</b>	<b>104,712,943</b>	<b>104,793,160</b>	<b>109,594,949</b>	<b>127,048,160</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,180,250)</b>	<b>(23,326,991)</b>	<b>(11,143,132)</b>	<b>(5,067,357)</b>	<b>2,233,565</b>	<b>(7,354,449)</b>	<b>(4,376,510)</b>	<b>707,855</b>	<b>435,362</b>	<b>(8,617,193)</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Other financing sources (uses)</b>										
Proceeds - Bonds and premium	\$ 32,642,580	\$ -	\$ 9,747,306	\$ -	\$ -	\$ 13,707,015	\$ -	\$ -	\$ -	9,273,091
Proceeds capital leases	-	1,152,750	83,000	-	190,860	-	456,948	1,412,779	1,850,798	-
Refunding bonds issued	9,584,150	-	1,928,405	-	-	-	17,562,444	-	-	-
Payment to refunded bond escrow agent	(9,516,956)	-	(1,927,910)	-	-	-	(17,372,974)	-	-	-
Transfers in	6,043,689	2,943,319	2,786,789	5,002,623	4,675,598	6,456,501	5,128,822	4,005,186	5,089,530	1,708,891
Transfers out	(7,860,347)	(3,242,311)	(3,092,864)	(5,197,865)	(6,532,207)	(4,648,206)	(8,492,165)	(4,626,127)	(5,510,070)	(1,829,029)
<b>Total other financing sources (uses)</b>	<b>30,893,116</b>	<b>853,758</b>	<b>9,524,726</b>	<b>(195,242)</b>	<b>(1,665,749)</b>	<b>15,515,310</b>	<b>(2,716,925)</b>	<b>791,838</b>	<b>1,430,258</b>	<b>9,152,953</b>
<b>Net change in fund balances</b>	<b>\$ 28,712,866</b>	<b>\$ (22,473,233)</b>	<b>\$ (1,618,406)</b>	<b>\$ (5,262,599)</b>	<b>\$ 567,816</b>	<b>\$ 8,160,861</b>	<b>\$ (7,093,435)</b>	<b>\$ 1,499,693</b>	<b>\$ 1,865,620</b>	<b>\$ 535,760</b>
<b>Total Debt Service including education</b>	3,454,307	3,756,533	5,786,569	6,232,124	6,092,336	5,987,104	6,107,087	5,984,308	5,725,417	5,840,202
<b>Capital Expenditures (per Statement 5)</b>	7,783,805	29,499,214	15,815,164	9,828,671	7,120,178	14,608,302	7,702,848	5,622,353	7,395,789	20,151,891
<b>Debt service as a percentage of noncapital expenditures</b>	4.33%	4.72%	6.78%	7.03%	6.90%	6.49%	6.30%	6.03%	5.60%	5.46%

**CITY OF SOUTH PORTLAND, MAINE**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Fiscal Year		Property Taxes (b)	Vehicle Taxes	Other (a)	Subtotal	TIF Property Taxes	Capital Project Property Taxes	Total
2012	\$	53,525,182	5,037,900	364,869	58,927,951	2,400,433	1,050,000	62,378,384
2013		54,659,082	5,453,056	341,440	60,453,578	2,303,339	1,353,970	64,110,887
2014		56,837,797	5,829,497	350,795	63,018,089	2,334,343	-	65,352,432
2015		59,781,351	6,374,595	359,164	66,515,110	2,452,962	-	68,968,072
2016		60,517,323	7,241,370	379,194	68,137,887	2,485,691	-	70,623,578
2017		61,266,181	7,100,567	351,968	68,718,716	2,469,739	-	71,188,455
2018		62,618,719	7,595,421	344,268	70,558,408	2,579,570	-	73,137,978
2019		65,176,305	7,893,886	364,035	73,434,226	2,795,535	-	76,229,761
2020		67,248,267	6,147,045	374,604	73,769,916	2,910,762	-	76,680,678
2021		69,201,016	7,064,080	395,990	76,661,086	2,641,433	-	79,302,519

(a) Interest and penalties and payments in lieu of taxes.

(b) includes property taxes allocated to adult education.

Table 7

**CITY OF SOUTH PORTLAND, MAINE**  
**State Aid Revenues by Source**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>State Revenue Sharing</b>	<b>School Aid</b>	<b>General Assistance</b>	<b>Homestead Reimb</b>	<b>Business Equipment Tax Exemption (a)</b>	<b>Other State Aid (b)</b>	<b>Total State Aid</b>
2012	\$ 1,888,773	2,350,219	99,697	466,578	921,472	244,323	5,971,062
2013	1,901,233	2,802,491	113,648	475,200	1,071,126	261,755	6,625,453
2014	1,315,198	5,584,653	125,937	478,706	1,135,762	440,909	9,081,165
2015	1,264,320	5,356,835	124,747	477,176	1,259,322	545,061	9,027,461
2016	1,285,328	6,197,822	284,231	484,938	1,522,086	598,505	10,372,910
2017	1,243,362	6,419,831	250,007	729,461	1,648,477	801,921	11,093,059
2018	1,243,362	6,419,831	250,007	729,461	1,648,477	801,921	11,093,059
2019	1,335,998	6,198,835	254,717	1,185,346	1,960,942	838,927	11,774,765
2020	1,920,227	6,892,853	377,708	1,140,898	2,101,001	1,280,075	13,712,762
2021	2,592,482	6,820,557	407,832	1,610,759	2,027,429	1,105,428	14,564,487

(a) Excludes BETE revenue recognized in the TIF fund

(b) MDEA Revenue, MDOT Revenue, Section 5307, and Veterans exemption reimbursement

**CITY OF SOUTH PORTLAND, MAINE**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Tax Roll Year	Taxable Real Property		Taxable Personal Property	Total Taxable Assessed Value	Less TIF Property Value	Total Taxable General	Total Direct Tax Value	Estimated Actual Taxable Value (a)	Assessed Value as a Percentage of Actual Value
	Residential	Commercial							
2012	\$ 1,855,163,100	1,339,392,500	337,351,900	3,531,907,500	149,095,240	3,382,812,260	14.13	3,556,500,000	95.1%
2013	1,863,390,300	1,361,640,500	328,347,700	3,553,378,500	139,596,280	3,413,782,220	15.89	3,516,250,000	97.1%
2014	1,871,920,200	1,364,111,100	326,665,500	3,562,696,800	139,781,030	3,422,915,770	16.05	3,537,700,000	96.8%
2015	1,892,251,700	1,379,303,000	329,605,300	3,601,160,000	143,448,080	3,457,711,920	16.42	3,580,100,000	96.6%
2016	1,907,528,200	1,389,683,400	323,423,000	3,620,634,600	142,855,880	3,477,778,720	16.70	3,696,350,000	94.1%
2017	1,894,613,500	1,392,736,100	323,280,800	3,610,630,400	139,533,280	3,471,097,120	16.97	3,738,700,000	92.8%
2018	1,938,556,760	1,374,023,400	328,933,000	3,641,513,160	143,309,419	3,498,203,741	17.25	4,008,050,000	87.3%
2019	1,974,887,460	1,385,473,700	324,903,900	3,685,265,060	151,109,994	3,534,155,066	17.70	4,308,100,000	82.0%
2020	1,991,184,360	1,375,637,400	319,509,800	3,686,331,560	208,057,569	3,478,273,991	18.26	4,622,350,000	75.2%
2021	1,958,911,800	1,349,459,600	314,214,800	3,622,586,200	183,527,837	3,439,058,363	18.86	4,866,700,000	70.7%

(a) Maine Bureau of Property Taxation, state equalized values.

	Homestead Assessed Values	Homestead Estimated Actual Values	BETE Assessed Values	BETE Estimated Actual Values
2012	57,960,000	57,960,000	140,425,200	140,425,200
2013	57,600,000	57,600,000	164,089,100	164,089,100
2014	57,330,000	57,330,000	196,012,700	196,012,700
2015	55,810,000	55,810,000	200,539,700	200,539,700
2016	55,740,000	55,740,000	215,867,700	215,867,700
2017	82,425,000	82,425,000	218,824,290	218,824,290
2018	109,660,000	109,660,000	216,832,800	216,832,800
2019	109,660,000	109,660,000	235,917,900	235,917,900
2020	109,980,000	109,980,000	276,896,400	276,896,400
2021	141,225,000	141,225,000	291,500,500	291,500,500

Table 9

**CITY OF SOUTH PORTLAND, MAINE**  
**Direct and Overlapping Property Tax Rates (Per \$1,000 of Assessed Value)**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

<b>Tax Year</b>	<b>Direct Rates</b>			<b>Overlapping Rate</b>	
	<b>General Municipal</b>	<b>Education</b>	<b>Total</b>	<b>Cumberland County (a)</b>	<b>Total</b>
2012	4.61	9.52	14.13	0.57	14.70
2013	5.10	10.79	15.89	0.61	16.50
2014	5.14	10.91	16.05	0.65	16.70
2015	5.24	11.18	16.42	0.68	17.10
2016	5.30	11.40	16.70	0.71	17.41
2017	5.31	11.66	16.97	0.73	17.70
2018	5.36	11.89	17.25	0.75	18.00
2019	5.39	12.31	17.70	0.80	18.50
2020	5.54	12.72	18.26	0.84	19.10
2021	5.66	13.20	18.86	0.89	19.75

The City annually adopts an annual budget for which property taxes are levied. The education and County Tax are part of the total property tax levy. The distribution shown above reflects the amount each component requires of the tax levy.

(a) Cumberland County assesses a county tax to the City of South Portland. The City includes the county assessment in the City's total direct tax rate. The rate shown here reflects the portion of the City's total direct tax rate levied by the City to pay the county tax assessment.

**CITY OF SOUTH PORTLAND, MAINE**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2021			2012		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
GGP- MAINE MALL, LLC	\$ 214,590,800	1	5.92%	\$ 220,458,100	1	6.26%
TEXAS INSTRUMENTS INCORPORATED	176,404,500	2	4.87%	188,178,010	2	5.34%
PORTLAND PORTFOLIO I LLC (b)	60,182,800	3	1.66%	55,256,500	5	1.57%
HANNAFORD/DELHAIZE AMERICA	53,800,400	4	1.49%	58,527,200	3	1.66%
CENTRAL MAINE POWER COMPANY	43,468,900	5	1.20%	32,751,800	7	0.93%
ON SEMICONDUCTOR CORP. (a)	38,212,800	6	1.05%	57,274,200	4	1.63%
PORTLAND PIPE LINE CORP.	31,788,000	7	0.88%	45,209,800	6	1.28%
NORTHERN UTILITIES, INC	30,945,200	8	0.85%			
WIM CORE PORTFOLIO OWNER LLC	28,135,800	9	0.78%			
RLC PORTLAND RETIREMENT COMMUNITY LLC	25,124,000	10	0.69%			
DEAD RIVER COMPANY				30,953,500	8	0.88%
ANTHEM				27,575,100	9	0.78%
OPROCK PORTLAND				26,659,600	10	0.76%
	<u>702,653,200</u>		<u>19.40%</u>	<u>742,843,810</u>		<u>21.08%</u>
Total Assessed Valuation	\$ 3,622,586,200			\$ 3,523,224,400		
Includes:						
Municipal valuation	3,439,058,363			3,382,812,260		
TIF valuation	183,527,837			149,095,240		
	<u>\$ 3,622,586,200</u>			<u>\$ 3,531,907,500</u>		

(a) Fairchild Semiconductor was acquired by ON Semiconductor on September 19, 2016.

(b) Home Properties was acquired by LSR Lighthouse Acquisitions LLC and was transferred to Portland Portfolio I LLC on May 6, 2016.

Table 11

**CITY OF SOUTH PORTLAND, MAINE**  
**Total Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 56,829,326	55,608,726	97.85%	1,220,600	56,829,326	100.00%
2013	58,630,745	57,515,651	98.10%	1,114,887	58,630,538	100.00%
2014	59,449,469	58,468,581	98.35%	980,666	59,449,247	100.00%
2015	61,546,876	60,720,014	98.66%	804,684	61,524,698	99.96%
2016	62,846,082	62,226,796	99.01%	595,447	62,822,243	99.96%
2017	63,908,158	63,257,315	98.98%	611,998	63,869,313	99.94%
2018	65,547,237	64,890,327	99.00%	621,803	65,512,130	99.95%
2019	68,177,403	67,337,460	98.77%	796,219	68,133,679	99.94%
2020	70,408,933	69,197,377	98.28%	1,006,708	70,204,085	99.71%
2021	71,546,077	70,617,202	98.70%	-	70,617,202	98.70%

**CITY OF SOUTH PORTLAND, MAINE**  
**Ratios of Net General Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-type Activities	Total	Personal Income (a)	Percentage of Personal Income	Population (b)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (c)
	General Obligation Bonds (g)	Capital Lease	Notes from Direct Borrowing						
2012	\$ 49,590,000	2,198,587	474,289	52,262,876	569,570,562	9.18%	25,002	2,090	1.39%
2013	49,850,862	3,133,341	447,187	53,431,390	569,570,562	9.38%	25,002	2,137	1.42%
2014	55,335,688 (d)	2,870,232	420,085	58,626,005	569,570,562	10.29%	25,002	2,345	1.56%
2015	50,772,746	2,491,412	392,983	53,657,141	569,570,562	9.42%	25,002	2,146	1.42%
2016	46,348,658	2,307,319	3,765,881	52,421,858	569,570,562	9.20%	25,002	2,097	1.25%
2017	55,767,421 (e)	1,910,278	3,568,778	61,246,477	569,570,562	10.75%	25,002	2,450	1.49%
2018	52,992,634	1,943,835	3,371,676	58,308,145	569,570,562	10.24%	25,002	2,332	1.32%
2019	48,472,852	2,582,141	3,174,573	54,229,566	569,570,562	9.52%	25,002	2,169	1.13%
2020	44,125,111	3,461,410	2,977,471	50,563,992	569,570,562	8.88%	25,532	1,980	1.10%
2021	49,040,220 (f)	2,439,128	2,780,369	54,259,717	975,781,976	5.56%	25,532	2,125	1.14%

(a) See Table 16. Amount shown is per capita income multiplied by population.

(b) U.S. Department of Commerce, Bureau of the Census.

(c) See Table 8. General Obligation Bond divided by the Estimated Actual Taxable Value.

(d) \$9.3 Million in GOB's issued for phase two of High School Project.

(e) \$12.7 Million in GOB's issued for new Municipal Services Facility.

(f) \$7.95 Million in GOB's issued for a new fire station, public safety improvements, a new middle school, and pedestrian improvements.

(g) Includes unamortized bond premiums and notes from direct borrowing.

**CITY OF SOUTH PORTLAND, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2021**

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of South Portland General Obligation	\$ 49,040,220	100.00%	\$ 49,040,220
City of South Portland Capital Leases	2,439,128	100.00%	2,439,128
Total direct debt	<u>51,479,348</u>		<u>51,479,348</u>
Overlapping:			
Portland Water District	54,758,718	13.57%	7,430,758
Cumberland County	33,370,194	9.16%	3,056,170
Total overlapping debt	<u>88,128,912</u>		<u>10,486,928</u>
Total direct and overlapping debt	<u>\$ 139,608,260</u>		<u>\$ 61,966,276</u>

Note: Annually, Cumberland County assesses each municipality its proportionate share of the County tax required to fund the County budget. The County tax assessment applicable to the City of South Portland is included in the total property tax levy of the City of South Portland.

Sources: The outstanding debt for Cumberland County has been provided by the County. The percentage applicable to the City of South Portland is based on the ratio of the State equalized assessed valuation for the City of South Portland versus the equalized State valuation for Cumberland County.

The outstanding debt for Portland Water District has been provided by the District. The percentage applicable to the City of South Portland is based on the ratio of the State equalized assessed valuation for the City of South Portland versus the equalized State valuation of all municipalities located within the District.

**CITY OF SOUTH PORTLAND, MAINE**  
**Legal Debt Margin Information**  
**June 30, 2021**

The amount of debt a Maine municipality may have is governed by title 30-A.M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 15% of the City's last full State Valuation. Debt for specific categories is limited to a percentage of State Valuation. As the following table indicates, based on a 2021 State Valuation of \$4,866,700,000, the City is in compliance with the total and categorical debt limits:

**Debt Limit by Category**

<u>Type of Debt</u>	<u>Maximum Percent Allowable</u>	<u>Maximum Amount Allowable</u>	<u>Principal Amount Outstanding</u>	<u>Legal Debt Margin</u>
School	10.00%	\$ 486,670,000	\$ 28,621,580	\$ 458,048,420
Storm or Sanitary Sewer	7.50%	365,002,500	2,780,369	362,222,131
Municipal	7.50%	365,002,500	16,647,954	348,354,546
<b>Total Maximum Debt</b>	<b>15.00%</b>	<b>\$ 730,005,000</b>	<b>\$ 48,049,903</b>	<b>\$ 681,955,097</b>

**Legal Debt Margin Calculation for Fiscal Year 2021**

State Valuation	\$ 4,866,700,000
Debt Limit - 15% of State Valuation	730,005,000
Less outstanding debt applicable to debt limit	<u>(48,049,903)</u>
Legal Debt Margin	<u>\$ 681,955,097</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 533,475,000	\$ 527,437,500	\$ 530,655,000	\$ 537,015,000	\$ 554,452,500	\$ 560,805,000	\$ 601,207,500	\$ 646,215,000	\$ 693,352,500	\$ 730,005,000
Total debt applicable to limit	<u>50,064,289</u>	<u>47,722,187</u>	<u>53,200,200</u>	<u>51,165,729</u>	<u>48,067,972</u>	<u>56,569,358</u>	<u>52,225,745</u>	<u>48,072,131</u>	<u>44,073,517</u>	<u>48,049,903</u>
Legal debt margin	\$ 483,410,711	\$ 479,715,313	\$ 477,454,800	\$ 485,849,271	\$ 506,384,528	\$ 504,235,642	\$ 548,981,755	\$ 598,142,869	\$ 649,278,983	\$ 681,955,097
Total debt applicable to the limit as a percentage of debt limit	9.38%	9.05%	10.03%	9.53%	8.67%	10.09%	8.69%	7.44%	6.36%	6.58%

(a) Total outstanding debt does not include bond premiums as bond premiums are not subject to the State debt limit.

Table 15

**CITY OF SOUTH PORTLAND, MAINE**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2021			2012		
	(a) Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of South Portland	1,002	1	4.01%	861	3	3.63%
Hannaford	860	2	3.44%			
Southern Maine Community College	629	3	2.52%	739	6	2.96%
Anthem/Blue Cross & Blue Shield of Maine	492	4	1.97%	1,000	2	4.00%
Texas Instruments (formerly National Semi)	475	5	1.90%	540	7	2.16%
ON Semiconductor (formerly Fairchild Semi)	345	6	1.38%	775	4	3.10%
United Parcel Service	290	7	1.16%	200	8	0.80%
New Gen Hospitality Management, LLC	160	8	0.64%			
Casco Bay Steel	120	9	0.48%			
Macy's	110	10	0.44%	150	9	0.60%
UnumProvident Life Insurance Co.				3,500	1	14.00%
WEX Inc. (formerly Wright Express)				744	5	2.98%
Marriott Corporation				148	10	0.59%
	4,483		17.94%	8,657		34.82%

Source for Data: State of Maine, Department of Labor, Labor Market Information Services; U.S. Department of Commerce, Bureau of Census - 2020 data.  
(a) Source for employees was each company's human resource department.

**CITY OF SOUTH PORTLAND, MAINE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (d)</b>	<b>Personal Income (a)</b>	<b>Per Capita Personal Income (d)</b>	<b>Median Age</b>	<b>School Enrollment (c)</b>	<b>Unemployment Rate (b)</b>
2012	25,002	569,570,562	22,781	39.40	3,116	5.70%
2013	25,002	569,570,562	22,781	39.40	3,135	5.20%
2014	25,002	569,570,562	22,781	39.40	3,093	4.80%
2015	25,002	569,570,562	22,781	39.40	3,064	4.00%
2016	25,002	569,570,562	22,781	39.40	3,080	3.10%
2017	25,002	569,570,562	22,781	39.40	3,068	2.90%
2018	25,002	569,570,562	22,781	39.40	3,045	2.80%
2019	25,002	569,570,562	22,781	39.40	2,979	2.60%
2020	25,532	569,570,562	22,781	39.40	2,968	6.20%
2021	25,532	975,781,976	38,218	41.90	2,912	4.60%

(a) Personal income equals per capita income times the population.

(b) Portland - South Portland Metropolitan Area, State of Maine, Department of Labor, Division of Economic Analysis and Research as of December prior to fiscal year end.

(c) State of Maine Department of Education, October 1 Census (April 1 Census information no longer collected).

(d) US Census Bureau

Table 17

**CITY OF SOUTH PORTLAND, MAINE**  
**Full-time Employees by Function/Program**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
City Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Executive department	3.0	3.0	3.0	4.0	4.0	4.0	4.5	5.0	5.0	4.0
City clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Corporation council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Finance department	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	18.0
Information technology	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.5	6.5	7.0
Planning department	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Human resources	3.0	3.0	3.0	3.0	3.0	3.5	4.0	4.0	4.0	4.0
City building	1.0	1.0	1.0	1.0	1.0	1.0	2.0	9.0	9.0	13.0
Sustainability	-	-	-	-	1.0	1.0	1.5	1.5	2.0	3.0
<b>Public Safety</b>										
Police	55.0	56.0	58.0	59.0	59.0	60.0	61.0	62.0	63.0	64.0
Fire	67.0	68.0	69.0	69.5	69.5	69.5	69.5	73.5	73.5	74.0
Dispatch	9.0	8.0	6.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0
Code	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0
<b>Public Works</b>										
Public Works	20.0	20.0	21.0	22.0	22.0	22.5	23.0	23.0	23.0	24.0
<b>Parks and Recreation</b>										
Parks	11.5	11.5	11.5	13.5	13.5	13.5	13.5	14.0	14.0	14.0
Recreation	22.0	22.0	22.0	21.0	21.0	21.0	21.0	14.0	14.0	25.0
<b>Public Library</b>										
Main Library	11.0	11.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0
Branch Library	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Transportation and Waterfront</b>										
Transportation and Waterfront	13.0	12.0	13.0	15.0	16.0	17.0	18.0	18.0	18.0	20.0
<b>Health and Welfare</b>										
Health and Welfare	1.5	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.5	4.0
<b>School</b>										
School	571.0	561.0	568.0	570.0	565.0	570.0	605.0	605.0	595.0	595.0
<b>Water Resource</b>										
Water Resource	29.0	29.0	29.0	29.5	29.0	29.0	29.0	29.0	29.0	29.0
<b>Total</b>	<b>862.0</b>	<b>852.0</b>	<b>862.0</b>	<b>870.5</b>	<b>864.0</b>	<b>872.0</b>	<b>912.0</b>	<b>920.5</b>	<b>912.5</b>	<b>934.0</b>

Source: Payroll Department.

Note: Neither the municipal nor the education departments have maintained their employment numbers on a full-time equivalents basis. The above represents the department's best estimates of full-time positions for the various fiscal years. Many seasonal and part-time positions have not been included or converted to full-time equivalents. Further, the determination of which positions have been counted as full-time may have varied from year to year. All of the positions may or may not have been filled as of June 30 of any given year.

**CITY OF SOUTH PORTLAND, MAINE**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police (b)										
Physical arrests	693	745	636	676	599	551	440	497	424	387
Calls for Service	30,740	34,071	37,391	36,361	36,337	33,738	33,577	34,825	33,442	30,664
UCR - Crime Index	923	1,013	923	1,012	804	620	592	565	529	462
Fire										
Fire calls	1,173	1,137	1,327	1,366	1,222	1,166	1,297	1,191	1,346	1,203
Medical calls	3,240	3,142	2,915	3,089	3,279	3,295	3,328	3,522	3,611	3,782
Inspections	1,749	1,670	1,808	1,923	1,915	2,186	2,040	2,085	1,202	1,202
Refuse Collection										
Refuse collected (tons)	6,244	5,878	5,705	5,643	5,519	6,147	5,834	5,635	6,199	6,204
Recyclables collected (tons)	2,323	2,278	2,292	2,333	2,243	2,289	2,277	2,307	2,210	2,281
Other public works										
Street resurfacing (miles)	4.50	4.00	3.50	2.90	2.90	2.90	2.25	2.30	2.38	1.50
Potholes repaired	225	235	255	220	125	220	162	260	134	121
Parks and Recreation										
Community center admissions	177,390	185,868	190,549	189,242	190,143	190,143	186,890	190,138	135,093	85,253
Library										
Items in collection (a)	99,316	102,906	103,838	103,104	107,109	107,109	107,489	109,535	103,013	112,434
Total items circulated (a)	262,125	267,654	213,668	200,337	260,865	260,865	192,021	188,391	135,624	134,925
Total items borrowed (a)	21,088	21,183	19,184	19,353	25,836	25,836	25,869	28,190	21,038	20,195
Water Resource										
Average daily sewage treatment (thousands of gallons)	6,740	6,273	6,139	6,078	5,496	6,078	5,850	6,107	5,386	4,792
Transit										
Total route miles	196,295	189,007	203,469	203,469	200,557	209,286	218,885	226,251	222,162	195,557
Passengers	247,370	263,124	258,617	259,824	246,931	270,930	273,167	259,640	208,947	113,838

**Sources:** Various city departments.

(a) Items are books, periodicals, audio, books and music on cassette and CD, tapes and videos and art prints.

(b) Operating indicators are based on the calendar year from 2011-2020.

**CITY OF SOUTH PORTLAND, MAINE**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Government										
Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	1	1	1	1	1	1	1	1	1	1
Police Department										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	35	39	38	34	34	35	35	38	39	35
Fire Department										
Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	27	28	28	28	28	25	25	27	24	24
Code Enforcement										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	4	5	5	6	6	6	6	6	5	5
Public Works										
Buildings	7	7	7	7	7	7	8	8	8	8
Streets (miles)	115	115	115	115	115	115	115	115	115	115
Vehicles/Trucks	11	12	12	12	12	12	12	11	7	8
Heavy Vehicles	39	39	39	39	39	34	34	35	39	38
Culture and recreation										
Buildings	14	14	15	15	15	15	15	15	10	10
Vehicles	18	17	18	19	19	24	24	24	17	19
Transportation & Waterfront										
Buildings	2	2	3	3	3	3	2	2	2	2
Buses	12	8	10	10	10	8	8	7	8	8
Vehicles	2	2	2	2	2	2	2	2	2	4
Water Resources										
Buildings	38	38	38	38	38	38	38	38	38	38
Vehicles	23	23	23	23	23	23	23	22	22	22
School Department										
Schools	8	8	8	8	8	8	8	8	8	8
Buildings	4	4	4	4	4	4	4	4	4	4
Portable Classrooms	3	3	3	3	3	3	3	5	5	5
School Buses	22	23	23	23	23	29	29	31	31	33
Vehicles	8	7	7	7	7	7	7	9	9	7

**Sources:** Various city departments and the City's capital asset database.

*This page intentionally left blank.*